SCHOOL DISTRICT 63 (SAANICH)

FINANCE, FACILITIES & TECHNOLOGY COMMITTEE
Agenda

Committee Members:	Trustee Elder, Chair Trustee Hickman Trustee McMurphy
Staff Support:	Jason Reid, Secretary Treasurer Dave Eberwein, Superintendent of Schools Megan Cimaglia, Director of Finance Rob Lumb, Director of Facilities Cody Henschel, Director of Information Technology
Partner Representatives:	Shannon Toronitz, STA CUPE Ryan Braun, SAA COPACS

Tuesday, September 15, 2026
10:30 am

A. PRESENTATIONS AND QUESTIONS

No Items.

B. ITEMS FOR DISCUSSION

No Items.

C. ITEMS FOR RECOMMENDATION

1. 2025/26 Financial Statements

Staff Recommendation:
That the Board approve the internal restriction of accumulated operating surplus as presented in note 13 in the 2025/26 Financial Statements.

Staff Recommendation:
That the Board approve transfer of $194,491 from accumulated operating surplus to local capital, as presented in schedule 1 in the 2025/26 Financial Statements.

Staff Recommendation:
That the Board approve the 2025/26 Financial Statements.

D. ITEMS FOR INFORMATION

No Items.

E. FUTURE AGENDA ITEMS

- Fall Enrolment and Funding (Oct)
- Multi-Year Financial Plan (Oct)
- Energy Plan Presentation (Oct)
- Trustee Benefits (Nov)

SAANICH SCHOOLS

SCHOOL DISTRICT 63 (SAANICH)

2125 Keating Cross Road, Saanichton, BC Canada V8M 2A5
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BRIEFING NOTE

To: Finance, Facilities & Technology Committee

Prepared By: Jason Reid
Secretary Treasurer

Subject: 2025/26 Financial Statements

Date: Sept 10, 2026

Purpose

The purpose of this briefing note is to:

1) Provide information relevant for the committee's review and the Board's approval of the 2025/26 financial statements including fund transfers to local capital and internal restriction of accumulated operating surplus; and,
2) Advise on the next steps in the adoption of the 2026/27 Amended Budget.

Status of Financial Audit

The audit of the 2025/26 Financial Statements is substantially complete and KPMG LLP reports that they expect to issue the audit opinion following approval of the financial statements by the Board of Education. The audit opinion will be unqualified in relation to the reporting framework school districts have been directed to follow by government regulation. This financial framework differs from Canadian Public Sector Accounting Standards regarding the recognition of deferred contributions.

2025/26 Financial Statements

As reported in the consolidated statement of operations (statement 2), for the year ended June 30, 2026 the district's revenue exceeded its expenses resulting in an annual surplus of $234,637 (2025: $728,178 surplus / 2024: $1,747,241 surplus). This was comprised of the combined financial results of the operating fund and the capital fund as follows:

Annual Surplus (Deficit)	June 30, 2026	June 30, 2025	June 30, 2024
Operating Fund	173,289	1,217,251	3,100,714
Capital Fund	61,348	(489,073)	(1,353,473)
Combined	234,637	728,178	1,747,241

In the operating fund, the annual surplus of $173,289 resulted in accumulated operating surplus increasing from $7,977,408 at the beginning of the year to $8,150,697 as at June 30, 2026.

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A Financial Statement Discussion and Analysis ("FSD&A") has been prepared to supplement the financial statements by providing additional information and analysis so readers can more fully understand the school district's 2025/26 financial performance.

The FSD&A is included in the committee package and should be reviewed in conjunction with the committee's review of the financial statements. The FSD&A will be published on the school district's website along with the audited financial statements, once the financial statements are approved by the Board of Education.

Fund Transfer to Local Capital

Board Policy 19 (Accumulated Operating Surplus) addresses the use of accumulated surplus and the process for fund transfers from the operating fund.

"Transfers of operating surplus to local capital are approved by Board motion and are made only for specific initiatives that either have a clear linkage to boards' strategic goals, address required future capital asset investment, or that meet other specified needs of the school district." [excerpt from Policy 19]

Transfers from the operating fund to local capital represent funds designated for the future purchase of capital assets. In Saanich, most of the transfer in 2025/26 relates to the allocation of a portion of lease and licence revenues designated for future renewal of leased and licenced space. The practice of allocating a designated portion of annual lease revenues to local capital was a historical Board decision to ensure childcare portables and other leased exclusive use space can be renewed and sustained long term. Beginning in December 2025, under the terms of the operating agreement for the Cordova Bay 55+ Centre, the District of Saanich began paying annual rent of $64,064 (annual rent was not paid during the first 20 years of this agreement). This annual rent ($37K in 2025/26) is in addition to the sharing of operating costs, and is included in the local capital transfer to fund future renewal of leased space (consistent with other lease and licence agreements). Also included in the transfer is the Board's $5,881 annual contribution to the Parkland Track renewal fund. For the year-ended June 30, 2026, the total amount of this transfer is $194,491 (2025 - $146,490). This transfer is presented in schedules 1, 2, and 4 following the notes the financial statements.

Internal Restriction of Accumulated Operating Surplus

Accumulated operating surplus and proposed appropriations of accumulated operating surplus as at June 30, 2026 are presented in the left column in the table below. These proposed appropriations are presented in Note 13 of the financial statements, pending approval by the Board.

	Budget 2026/27	Budget 2025/26	
	2025/26 Financial Statements	2025/26 Amended Budget	2024/25 Financial Statements
School Activities (multi-year funding)	766,933	312,057	312,057
District Activities (multi-year funding)	798,996	1,654,122	1,654,122
Appropriated for Budget in Following Year	2,468,245	1,928,256	2,428,256
Total Internally Restricted	**4,034,174**	**3,894,436**	**4,394,436**
Contingency Reserve (Unappropriated Surplus)	4,116,523	4,082,972	3,582,972
Total Accumulated Surplus	**8,150,697**	**7,977,408**	**7,977,408**

The right column in the above table shows how accumulated surplus was restricted in the prior year (2024/25) financial statements, and the middle column shows how this prior year accumulated surplus was then adjusted and allocated in the 2025/26 amended budget following confirmation of fall enrolment.

"Accumulated operating surplus may be appropriated (internally restricted) by Board motion for the following purposes:

- *Contingency Reserve;*
- *Multi-year Funding of Projects and Programs; and*
- *Strategic or Operational Priorities." [excerpt from Policy 19]*

Contingency Reserve

Policy 19 requires that the contingency reserve be sufficient to reduce financial risk (and its impact on program stability) to an appropriate level, and when the contingency reserve is reduced below what is determined to be appropriate, "the Board will adopt strategies for replenishing the Contingency Reserve within an appropriate time frame."

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The 2026/27 Preliminary Budget was balanced through allocation of $2,468,245 in accumulated surplus to fund continuing expenditures. The amount of accumulated surplus available for contingency reserve is determined by deducting the accumulated surplus proposed for multi-year funding (discussed below) and accumulated surplus appropriated for budget. Accumulated surplus available for contingency reserve increased from 4,082,972 in the 2025/26 Amended Budget to $4,116,523 as at June 30, 2026. This result is somewhat better than what had been forecasted last spring and is attributable to the May online learning enrolment count exceeding forecast and favourable salary and benefit expense variances.

A contingency reserve of $4,116,523 million (3.3% of budgeted operating and special purpose expenditures) provides some financial flexibility; however, the following factors contribute to an overall financial trajectory that is negative:

- Growth in the appropriation of accumulated surplus to balance the 2026/27 budget (from 1,928,256 to 2,468,245) increasing the structural budget deficit. This growth occurred despite budget reductions of approximately $1.0 million being implemented in 2026/27.
- Declining annual operating surpluses (only $173,289 in 2025/26). This is the outcome of growth in the appropriation of accumulated surplus to fund budgeted expenses in recent years (i.e. growing structural budget deficit).
- Annual inflationary pressures are expected to continue to outpace funding growth, and further budget reductions to offset "unfunded inflation" are becoming increasingly challenging to implement.
- Online learning enrolment growth has contributed favourably to the district's fiscal balance in recent years; however, the trajectory of this growth appears to be moderating.

Multi-Year Funding

Multi-year funding of projects and programs requires the allocation of prior year revenues to fund future expenditures and is achieved through budgetary appropriation of accumulated operating surplus. This appropriation of June 30, 2026 accumulated operating surplus effectively includes these balances as a source of revenue (for budgetary purposes) in the 2026/27 Amended Budget. Multi-year funding of projects and programs has historically applied in the following circumstances:

- <u>School surplus balances</u> – schools historically carry-forward unspent operating budget as they are expected to fund equipment replacement and other initiatives that span more than one fiscal year.[1]
- <u>Continuing projects</u> – budget allocated to a discrete project in-progress that continues beyond the end of the fiscal year. This includes equipment purchased with 2025/26 budget, which does not arrive until after fiscal year-end.

[1] These carry-forwards are normally limited to a maximum of 40% of the operating budget allocations for service and supplies, except in special circumstances.

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- Targeted funding – funding externally restricted for a specific purpose and not fully spent by the end of the year.
- Timing differences – funding is received but the related expenditures occur in the following fiscal year. For example, most of the instructional services balance occurs because for certain programs funding and some of the related costs occur in different fiscal years.

Carry-forward balances for school and district activities are presented in more detail in **Appendix 1**.

Adoption of the 2026/27 Amended Budget – Next Steps

Each year the Board of Education approves an Amended Annual Budget (before the end of February) reflecting changes that result from:

- analysis of prior year audited results and confirmation of available accumulated operating surplus;
- confirmation of fall enrolment and resulting funding and staffing costs; and
- other circumstances that have arisen subsequent to the adoption of the preliminary budget.

In October, I will provide updates on enrolment, funding, and the related impact on budgetary balance for the 2026/27 Amended Budget.

Given the risk that budgetary balance cannot be sustained longer term (as outlined above), in October I will recommend that any incremental funding from enrolment growth be allocated to the extent possible to reduce reliance on accumulated surplus to fund continuing expenditures.

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BRIEFING NOTE

<u>Board Approval of 2025/26 Financial Statements</u>

Staff Recommendations:

That the Board approve the internal restriction of accumulated operating surplus as presented in note 13 in the 2025/26 financial statements.

That the Board approve transfer of $194,491 from accumulated operating surplus to local capital, as presented in schedule 1 in the 2025/26 financial statements.

That the Board approve the 2025/26 Financial Statements.

Respectfully submitted,

Jason Reid
Secretary-Treasurer

JR/klg

Attachments: Attachment 1: District and School Surplus Balances

Attachment 1: District and School Surplus Balances
As at June 30, 2026

	June 2026	June 2025	Change
District Activities (multi-year funding)	798,996	1,654,122	(855,126)
School Activities (multi-year funding)	766,933	312,057	454,876
Appropriated for Budget in following year	2,468,245	2,428,256	39,989
Total Internally Restricted	**4,034,174**	**4,394,436**	**(360,262)**
Contingency Reserve (Unappropriated Surplus)	4,116,523	3,582,972	533,551
Total Accumulated Surplus	**8,150,697**	**7,977,408**	**173,289**

Internally Restricted for District Activities	**June 2026 Budget CFWD**	**June 2025 Budget CFWD**	**Change**
Information Technology - IT Infrastructure	25,600	95,248	(69,648)
Finance - Equipment Replacement	13,346	-	13,346
Instructional Services - Programs	60,160	86,097	(25,937)
Learning and Innovation - Grants/Programs	138,300	55,303	82,997
Indigenous Education - Grants	83,051	79,583	3,468
Indigenous Education - Indigenous Ed Council	170,260	87,252	83,008
Diversity and Inclusion - Grants/Programs (**Note 1**)	54,100	742,067	(687,967)
Saanich Rec Joint Use Funds - ROMS	15,779	14,762	1,017
Superintendent - Projects	-	2,000	(2,000)
H&S - OHS Projects	-	42,329	(42,329)
International	8,400	12,250	(3,850)
Teacher Staffing - SIDES	230,000	437,231	(207,231)
Total District Activities (multi-year funding)	**798,996**	**1,654,122**	**(855,126)**

Internally Restricted for School Activities	**BUDGET (excluding staffing and SPF)**	**June 2026 Budget CFWD**	**% Surplus Relative to Budget**	**June 2025 Budget CFWD**
Brentwood Elementary	59,328	6,191	10.4%	1,416
Cordova Bay Elementary	63,818	16,494	25.8%	(732)
Deep Cove Elementary	69,903	5,544	7.9%	5,138
Keating Elementary	91,505	(1,336)	-1.5%	4,376
Lochside Elementary	83,822	17,487	20.9%	5,157
Prospect Lake Elementary	55,862	14,049	25.1%	16,109
Kelset Elementary	62,721	16,125	25.7%	(2,031)
Sidney Elementary	78,897	16,169	20.5%	11,521
Stelly's Secondary (**Note 2**)	465,209	212,502	45.7%	122,135
Claremont Secondary	457,913	22,218	4.9%	(46,946)
Parkland Secondary	265,909	55,012	20.7%	20,175
North Saanich Middle	76,708	18,346	23.9%	(3,006)
Royal Oak Middle	117,283	6,536	5.6%	4,941
Bayside Middle (**Note 3**)	179,939	87,522	48.6%	78,196
ILC and Continuing Education	291,421	94,074	32.3%	60,881
SIDES (**Note 4**)	303,764	180,000	59.3%	34,727
School Activities (multi-year funding)	**2,724,002**	**766,933**		**312,057**

Note 1: The prior year balance included $631,119 in targeted funding for Jordon's Principle.

Note 2: Recommend approval of carryforward over 40% due to multi-year savings for several projects including replacing computer lab devices, an Indigenous art project, and replacement of the gym sound system.

Note 3: Recommend approval of carryforward over 40% due to multi-year savings for bleacher replacement. Bleacher replacement project to be completed fall 2026.

Note 4: Recommend approval of carryforward over 40% due to multi-year savings to fund planned enhancement of the student registration system.

Financial Statement Discussion and Analysis

For the Year Ended June 30, 2026

Saanich School District

Financial Statement Discussion & Analysis

For the Year Ended June 30, 2026

The following is a discussion and analysis of the Saanich School District's financial performance for the fiscal year ended June 30, 2026. This report is a summary of the district's financial activities based on currently known facts, decisions, or conditions. The results of the current year are discussed in comparison with the prior year and budget. This report should be read in conjunction with the district's financial statements.

OVERVIEW OF THE SCHOOL DISTRICT

The Saanich School District serves about 8,000 student FTE in: 14 neighborhood schools (8 elementary schools, 3 middle schools, and 3 secondary schools); the Children's Development Centre; the South Island Distance Education School (SIDES); the Individual Learning Centre (ILC), the Continuing Education program; and the Saanich International Student Program.

Saanich Schools Strategic Plan 2022-2027 guides the Board of Education and its employees and partners in delivering educational programs. The Strategic Plan is organized around the following four goals:

- Literacy;
- Indigenous Learner Success;
- Mental Health and Wellness; and
- Global Citizenship.

Under the *School Act* and Policy 2 (Role of the Board), the Board is responsible for the improvement of student achievement, and the strategic plan is the means to achieving this objective.

UNDERSTANDING SCHOOL DISTRICT FINANCIAL PERFORMANCE

Annual surplus and accumulated surplus[1] are key financial statement performance indicators; however, interpreting the meaning of these figures in BC school districts is complicated by the use of fund accounting and deferral accounting. The use of fund accounting means the financial statements of school districts are a consolidation of three separate funds (operating, special purpose and capital), and each of these funds differs with respect to the methods of accounting used and the legislative and other constraints on budgeting and financial results. This means financial performance can only be fully understood by reviewing each fund separately. Financial performance for each fund is reported in the supplementary schedules that follow the notes to the financial statements.

[1] Annual surplus is the extent to which annual revenues exceed expenses. If annual expenses exceed revenues the result is referred to as an annual deficit. An accumulated surplus position is the extent to which revenues from all previous years have exceeded expenses from all previous years. An accumulated deficit position occurs when expenses from all previous years exceed revenues from all previous years. When an accumulated deficit occurs, it means future revenues are needed to pay for past expenditures.

Operating Fund 2026 Revenues: $107.3 million	Annual program revenues and expenditures are reported within the operating fund and special purpose fund (see below). Annual surplus and accumulated surplus within the operating fund are important indicators of financial performance and financial health for school districts. This is because school districts are not permitted to budget for or incur an accumulated deficit position. This means when a school district has accumulated operating surplus available it can be used to budget for future expenditures or to reduce financial risk associated with unforeseen circumstances.
Special Purpose Fund 2026 Revenues: $20.5 million	The special purpose fund includes targeted grants and school generated revenues that are restricted for a specific purpose. Annual and accumulated surplus is always zero because revenues are recognized only as related expenditures occur (deferral method of accounting). If expenditures for a program within the special purpose fund exceed available revenues, the resulting deficit is transferred to the operating fund, reducing accumulated operating surplus.
Capital Fund 2026 Capital Funding Received: $6.2 million 2026 Capital Assets Purchased: $8.4 million	The capital fund reports investment in and financing activities related to capital assets. Capital contributions (funding) from the Province are accounted for using the deferral method of accounting, whereby recognition of revenue is spread out over the life of the related capital assets to match with amortization expense, which reflects the use of the asset over its life. This means capital fund revenues are not a reflection of funding actually received in a given year, and annual surplus (deficit) in the capital fund is not a meaningful indicator of annual financial performance.

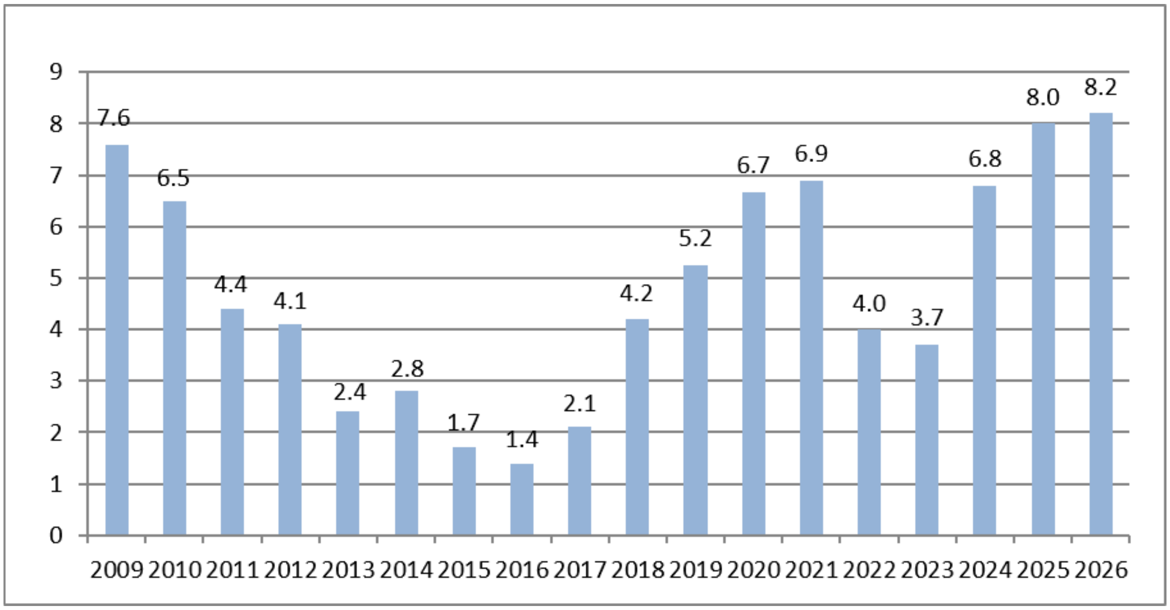
FINANCIAL HIGHLIGHTS

As reported in the consolidated statement of operations (statement 2), for the year ended June 30, 2026 the district's revenue exceeded its expenses resulting in an annual surplus of $234,637 (2025: $728,178 surplus / 2024: $1,747,241 surplus). This was comprised of the combined financial results of the operating fund and the capital fund as follows:

Annual Surplus (Deficit)	June 30, 2026	June 30, 2025	June 30, 2024
Operating Fund	173,289	1,217,251	3,100,714
Capital Fund	61,348	(489,073)	(1,353,473)
Combined	234,637	728,178	1,747,241

In the operating fund, the annual surplus of $173,289 resulted in accumulated operating surplus increasing from $7,977,408 at the beginning of the year to $8,150,697 as at June 30, 2026.

Exhibit 1: Closing Accumulated Operating Surplus ($ million) by Fiscal Year

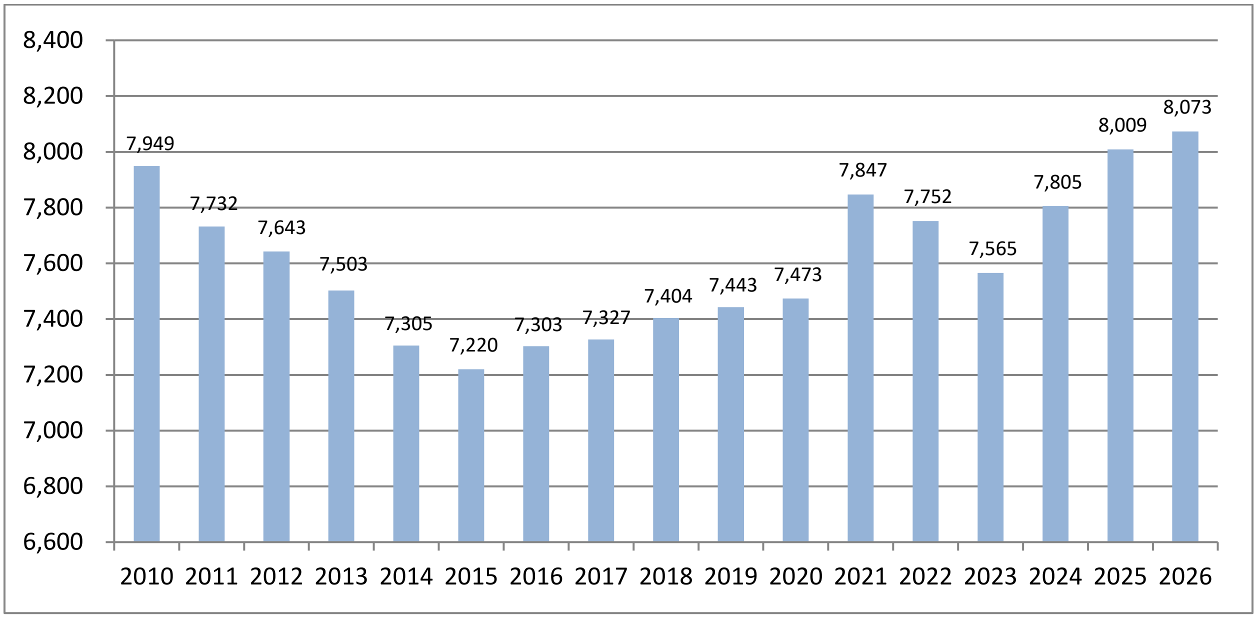


Provincial operating grants, which comprise approximately 87% of total operating fund revenues, are determined largely based on student enrolment. In BC, annual adjustments to funding rates do not fully fund program cost increases which result from inflationary pressures. However, funding normally increases or decreases with enrolment to a greater degree than program costs vary with enrolment. This means that when enrolment is stable or declining financial pressure will result, and when enrolment grows there is generally increased financial flexibility to fund inflationary costs. As shown in exhibits 1 and 2, there is correlation between periods of enrolment decline and depletion of accumulated surplus, which is a key indicator of financial pressure.

As shown in exhibit 2, in 2020/21 the district experienced net enrolment growth attributable to the pandemic. This consisted of significant enrolment growth at SIDES (online learning) driven mostly by students enrolling from outside the school district, partially offset by pandemic related enrolment declines in neighbourhood schools. In 2021/22 and 2022/23, enrolment declined overall as enrolment in SIDES and neighbourhood schools trended closer to “pre-pandemic” levels.

During the past 3 years enrolment has grown by 508 FTE from 7,565 in 2022/23 to 8,073 in 2025/26. This growth over the 3-year period was comprised of growth of 487 FTE in online learning (SIDES) enrolment, and growth of only 21 FTE in regular program enrolment. This significant growth in online learning enrolment is attributed to SIDES being confirmed in 2023 as one of a limited number of provincial online learning schools.

Exhibit 2: Funded FTE Enrolment by Fiscal Year



Over the next decade, the district forecasts that regular enrolment will remain stable or may decline slowly. While growth in online learning enrolment is more difficult to forecast longer term, the trajectory of growth appears to be levelling off.

Capital Investment

During the year ended June 30, 2026, the district invested $8.4 million in capital additions that were funded by: Provincial capital funding ($5.2 million), other government funding ($1.0 million), the operating fund ($1.8 million), the special purpose fund ($0.1 million) and local capital ($0.3 million). Capital additions during the year included the following projects:

Project	Total Project Budget	Invested in 2025/26	Completion Date
Stelly's HVAC	$6.0m	$1.6m	2028 - 2029
Computer Equipment Replacement	$1.4m	$1.4m	June 2026
Electric Bus	$2.1m	$2.1m	Fall 2025
Electric Bus Charging Infrastructure	$0.6m	$0.6m	Winter 2026
Childcare Modular Replacement (Brentwood)	$0.6m	$0.3m	Fall 2025
Keating Roof Replacement	$0.3m	$0.5m	Summer 2025

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT

In this section, actual results are compared to the prior year and budget (where applicable) in more detail. For the statement of operations, the analysis is performed separately for each of the three funds.

Statement of Financial Position (All Funds)

The table below includes explanations for significant variances in the statement of financial position (statement 1) relative to the prior year.

	2026	2025	Analysis of Variance
Cash and Cash Equivalents	25,033,831	23,686,109	Increased by $1.3 million due to a small surplus and also to the extent non-cash expenses were reflected in annual surplus.
Accounts Receivable - Other	1,416,857	856,343	Increase of $0.56 million comprised of: increase in interest receivable by $0.23 million, increase in the employee benefit plan surplus account by $0.18 million, and increase in the receivable from the federal government by $0.14 million.
Accounts Payable and Accrued Liabilities - Other	13,590,448	11,789,482	Increase of $1.8 million is due to an increase of $1.4 million in salaries and benefits payables, and a $0.4 million increase in trade payables. The growth in salary and benefits payables is partially due to accrued pay adjustments for support staff retroactive to July 1, 2025 that had not been processed before year-end.
Deferred Capital Revenue	117,339,702	117,570,596	Decrease of $0.2 million is the result of deferred contribution amortization of $6.4 million offset by capital contribution received of $6.2 million.
Tangible Capital Assets	142,523,480	142,616,311	Decrease of $0.1 million is the result of capital asset amortization of $8.5 million offset by capital asset additions of $8.4 million.

Statement of Operations by Fund – Operating Fund

	Amended Budget 2025/26	Actual 2025/26	Actual 2024/25	Actual 2023/24
Revenues	102,909,626	107,255,462	104,955,620	99,250,059
Expenses and fund transfers	106,804,062	107,082,173	103,738,369	96,149,345
Annual Operating Surplus (Deficit)	**(3,894,436)**	**173,289**	**1,217,251**	**3,100,714**
Opening Accumulated Surplus		7,977,408	6,760,157	3,659,443
Closing Accumulated Surplus		**8,150,697**	**7,977,408**	**6,760,157**

The 2025/26 Amended Budget included as a source of funding appropriation of accumulated surplus of $3,894,436 resulting in a budgeted deficit in the same amount. This appropriation included $1,928,257 appropriated to balance the 2025/26 budget, and $1,966,179 for district and school program carry-forwards.

To the extent that surplus carry-forward balances (multi-year funding) are maintained at the end of the year, actual expenditures (most often service and supplies) will be less than budgeted expenditures. At the end of 2025/26 year, carry-forward balances were $1,565,929 (2024/25: $1,966,179).

Actual annual operating surplus in 2025/26 exceeded budget by $4.1 million due to the following:

- Grant revenues exceeded budget by $3.4 million[2]. Excluding the impact of unbudgeted labour settlement funding, grant revenues exceeded budget by $1.1 million primarily due to higher than anticipated February and May enrolment counts for online learning.
- Other revenues, rentals and leases, and investment income exceeded budget by $0.9 million.
- Salaries and benefits exceeded budget by $1.0 million[2]. Excluding the impact of funded salary adjustments (unbudgeted), salary and benefits were below budget by $1.3 million (see analysis of expense variance by object beginning on page 9 for details).
- Service and Supply expense and fund transfers were below budget by $0.7 million.

[2] In the spring of 2026 (prior to year end), a new collective agreement with the BC Teachers' Federation (BCTF) was ratified and a new Provincial Framework agreement for support staff unions was signed. This resulted in both additional funding and salary and benefits costs of approximately $2.3 million that had not been reflected in the budget.

Detailed information on the operating fund is presented in schedules 2 to 2C following the notes to the financial statements. Revenues, expenditures and accumulated operating surplus are analysed in greater detail in the sections that follow.

Operating Fund Revenues

A high-level summary of operating fund revenues is presented below and explanations of significant variances follows. A more detailed presentation of operating revenues is presented in schedule 2A following the notes to the financial statements.

	Amended Budget 2025/26	Actual 2025/26	Amended Budget 2024/25	Actual 2024/25
Grant Revenue	90,246,491	93,613,933	89,783,450	91,109,421
Tuition Revenue (International Program)	4,494,600	4,571,911	4,582,194	4,756,763
Other Revenue	7,338,955	7,865,824	7,680,579	7,676,533
Rentals and Leases	464,500	531,741	464,500	501,252
Investment Income	365,080	672,053	650,000	911,651
Total Revenues	**102,909,626**	**107,255,462**	**103,160,723**	**104,955,620**

Grant Revenues:

Budgeted grant revenues in 2025/26 increased by $0.5 million relative to the 2024/25 budget primarily due to:

- $0.3 million – operating grant increase due to projected net enrolment growth
- $0.6 million – increase in grant revenue due to a reduction in the proportion of funding received directly from first nations (due to decrease in the expected number of nominal roll students).
- ($0.5 million) - federal grants revenue decrease due to reduction in Jordan's Principle grant due to inability to hire and utilize grants given in previous years.
- $0.15 million – increase funding for graduated adult enrolment.

Actual 2025/26 grant revenues exceeded 2025/26 budget by $3.4 million primarily due to:

- $1.1 million - Actual operating grant revenue was higher than expected primarily due to higher than anticipated February and May enrolment counts for online learning.

- $2.3 million - funding for labour settlement funding that was not reflected in the amended budget.
- $0.2 million – enrolment and funding for graduated adults was higher than budgeted.
- ($0.3 million) – funding recovery resulting from the 2024/25 enrolment audit of inclusive education.

Tuition Revenues:

Budgeted tuition revenues in 2025/26 decreased by $0.1 million relative to the 2024/25 budget due to a small decrease in budgeted student enrolment expected (by 5 FTE). Actual 2025/26 tuition revenues exceeded budget by $0.1 million as student enrolment exceeded budget by approximately 5 FTE.

Other Revenues:

Budgeted other revenues in 2025/26 decreased by $0.3 million relative to the 2024/25 budget due primarily due to a $0.6 million reduction in the proportion of funding budgeted to be received directly from first nations, offset by a $0.3 million increase in international student homestay fees budget (increased enrolment).

Overall, actual other revenues in 2025/26 exceeded budgeted by $0.5 million. This was attributed to miscellaneous and school generated revenues exceeding budget by $0.2 million, cafeteria revenues exceeding budget by $0.2 million, and SIDES course fee revenues for international students exceeded budgeted by $0.1 million.

Investment Income

Budgeted revenues in 2025/26 decreased by $0.3 million relative to the 2024/25 budget due to a forecasted decline in interest rates. Actual revenues in 2025/26 were $0.3 million higher than budget as actual interest rates realized were higher than forecasted. Interest rates are budgeted conservatively reflecting that interest rates are likely to moderate in the future.

Operating Fund Expenses

Expenses in the financial statements are presented both by object (category of expense) and by function (program). Operating fund expenses are presented below using each method with explanations of significant variances following. A more detailed presentation of operating expenses is presented in schedules 2B and 2C following the notes to the financial statements.

Analysis of Variances by Object

Operating Fund Expenditure by Object	Amended Budget 2025/26	Actual 2025/26	Amended Budget 2024/25	Actual 2024/25
Salaries				
Teachers	39,740,536	40,406,241	40,377,138	39,499,683
Principals and Vice Principals	5,453,224	5,766,869	5,408,507	5,390,234
Education Assistants	7,724,149	7,517,460	7,556,725	7,035,119
Support Staff	10,322,556	9,972,892	10,200,970	9,761,885
Other Professionals	4,620,681	4,618,913	4,888,663	4,461,780
Substitutes	4,430,932	5,333,253	4,445,674	5,439,761
Total Salaries	**72,292,078**	**73,615,628**	**72,877,677**	**71,588,462**
Employee Benefits	19,560,602	19,240,220	18,402,941	18,468,581
Total Salaries and Benefits	**91,852,680**	**92,855,848**	**91,280,618**	**90,057,043**
Service and Supplies expense	13,829,795	12,136,328	13,880,814	11,885,690
Fund transfers (schedule 2)	1,121,587	2,089,997	1,486,603	1,795,636
Total Service and Supplies and fund transfers	**14,951,382**	**14,226,325**	**15,367,417**	**13,681,326**
Total Operating Expenditure	**106,804,062**	**107,082,173**	**106,648,035**	**103,738,369**

Salaries – Teachers

Budgeted teacher salary expense in 2025/26 was $0.6 million lower than budgeted expense in 2024/25 primarily due to:

- Reduction in planned teacher staffing by 2.5 FTE due primarily to neighborhood school enrolment decline offset partially by increased online learning enrollment at SIDES.
- Reduction in estimated average teacher salary.

Actual teacher salary expense in 2025/26 was over budget by approximately $0.7 million due to:

- $1.2 million - salary increases following ratification of a new collective agreement that had not been reflected in the budget; and
- ($0.5 million) – savings relative to budget as actual teacher Full-Time Equivalent (FTE) and average teacher cost was lower than what was budgeted.

Salaries – Principals and Vice Principals (PVP)

Budgeted PVP salary expense in 2025/26 was close to budget.

Actual PVP salary expense in 2025/26 was higher than budget by $0.3 million primarily due to funded inflationary salary increases ($0.1 million due to 2.5% wage increase) and replacement costs ($0.2 million).

Salaries – Education Assistants (EA)

As a new collective agreement with support staff (including EAs) was not ratified until July 2026, budgeted wage rates in 2025/26 were unchanged from 2024/25. Budgeted Education Assistant salary expense in 2025/26 was higher than 2024/25 budgeted expense by $0.2 million primarily due to net growth in student unique need designations.

Actual Education Assistant salaries in 2025/26 were below budget by approximately $0.2 million due to:

- ($0.4 million) - Actual expense decreased relative to budget due to hiring lag and staff taking unpaid time off. This underspend is offset partially by greater than budget cost of staff replacement (see below).
- $0.2 million – salary increases provided for in the new Provincial Framework Agreement that had not been reflected in the budget.

Salaries – Support Staff

As a new collective agreement with support staff was not ratified until July 2026, budgeted wage rates in 2025/26 were unchanged from 2024/25. Budgeted Support Staff salary expense in 2025/26 was higher than 2024/25 budgeted expense by $0.1 million due to a number of staffing budget adjustments.

Actual Support Staff salaries in 2025/26 were below budget by approximately $0.4 million due to:

- ($0.7 million) - Actual expense decreased relative to budget due to hiring lag, unpaid leaves and some vacant positions including the IT supervisor position. This underspend is offset partially by greater than budgeted cost of custodial staff replacement (see below).
- $0.3 million – salary increases provided for in the new Provincial Framework Agreement that had not been reflected in the budget.

Salaries – Other Professionals

Budgeted other professional salary expense in 2025/26 was lower than 2024/25 budgeted by $0.3 million primarily due a decrease in other professional salaries budgeted in inclusive education. This variance is attributed to variation in the budgeted application of Jordan's Principle targeted funding.

In 2025/26 actual expense was close to budget.

Salaries –Substitutes

Budgeted substitute salary expense in 2025/26 was close to 2024/2025 budget.

Actual expense in 2025/26 exceeded budget by $0.9 million, and is attributable to the following:

- $0.6 million - Teacher replacement costs exceeded budget by $0.6 million due to a number of factors including: unbudgeted general wage increase ($0.1 million), maternity/parental leave and the cost of replacing teachers in longer term leaves exceeding budget ($0.3 million), and the additional cost of funding Classroom Enhancement Fund remedy delivered in years after it was earned ($0.1 million).
- $0.3 million - Education Assistants replacement costs exceeded budget by $0.2 million, and custodial replacement cost exceeded budget by $0.1 million. The additional cost of Education Assistant and Custodian replacement was offset by savings relative to budget in the salary budget lines.

Employee Benefits

Budgeted employee benefits expense in 2025/26 increased relative to 2024/25 budgeted expense by $1.2 million primarily due to increases in benefits premiums including life insurance, extended health and dental premium costs and WorkSafe BC costs.

Actual expense in 2025/26 was below budget by $0.3 million due to lower statutory benefits premiums than we had budgeted for partially offset by benefit costs increases attributed to teacher and support staff salary adjustments that had not been budgeted.

Total Service and Supplies and Fund Transfers

For the purpose of this analysis, fund transfers are combined with service and supply expense because fund transfers relate primarily to the purchase of capital assets from service and supply budgets in the operating fund.

It is expected that actual service and supply expenditures will be less than budget as most surplus carry-forward balances are reflected as service and supply expenditure in the budget and are not fully spent.

Budgeted expense in 2025/26 was close to 2024/25 budget. Actual expense in 2025/26 was below budget by $0.7 million (actual 2024/25 expense was below budget by $1.7 million).

Analysis of Variances by Function

Operating Fund Expenditure by Function	Amended Budget 2025/26	Actual 2025/26	Amended Budget 2024/25	Actual 2024/25
Instruction	88,008,337	87,701,442	87,362,516	84,799,580
District Administration	4,301,435	4,281,081	4,505,522	4,281,447
Operations and Maintenance	11,448,899	11,143,615	11,284,528	10,829,983
Transportation	1,923,804	1,866,038	2,008,866	2,031,723
Fund transfer	1,121,587	2,089,997	1,486,603	1,795,636
Total	**106,804,062**	**107,082,173**	**106,648,035**	**103,738,369**

Instruction – 2025/26 budgeted expenditures exceed 2024/25 budgeted expenditures by $0.6 million. This increase is primarily attributable to the employee benefits budget for instructional staff increasing by $1.1 million, partially offset by reduction in the salary budget by $0.5 million.

In 2025/26 actual instruction cost was below budget by $0.3 million primarily due: actual service and supply costs were under budget by $1.5 million, partially offset by actual salary and benefits exceeding budget by $1.2 million. As noted in the above analysis of expenditure by object, teacher, education assistant and support staff salary adjustments had not been budgeted resulting in the negative salary and benefits variance.

District Administration - 2025/26 budgeted expenditures were below 2024/25 budgeted expenditures by $0.2 million primarily due to a $0.1 million reduction in PVP budget allocated to Educational Administration (classification change), and smaller reductions to salaries, employee benefits and service and supply budgets.

In 2025/26 actual costs were close to budget.

Operations and Maintenance – 2025/26 budgeted expenditures exceeded 2024/25 budgeted expenditures by $0.2 million primarily due to service and supply inflation.

In 2025/26 actual costs were below budget by $0.3 million due primary to actual support staff salaries and benefits cost being below budget (as described above in the analysis of expenditure by object).

Transportation – 2025/26 budgeted expense was below 2024/25 budget by $0.1 million. In 2025/26 actual costs were close to budget.

Fund Transfers – fund transfers are comprised primarily of capital assets purchased in the operating fund, which are then transferred to the capital fund. This figure frequently varies relative to budget when schools and departments use service and supply budgets to purchase items that meet the criteria for capitalization as an asset.

Accumulated Operating Surplus

Understanding the components of accumulated operating surplus is necessary for knowing how much of the balance relates to multi-year funding of programs (surplus carry-forwards) and how much of the balance is available to reduce financial risk associated with unforeseen expenditures or to fund additional expenditures in the future. The components of closing accumulated surplus are presented in the table below:

	Budget 2026/27	**Budget 2025/26**	
	2025/26 Financial Statements	2025/26 Amended Budget	2024/25 Financial Statements
School Activities (multi-year funding)	766,933	312,057	312,057
District Activities (multi-year funding)	798,996	1,654,122	1,654,122
Appropriated for Budget in Following Year	2,468,245	1,928,256	2,428,256
Total Internally Restricted	**4,034,174**	**3,894,436**	**4,394,436**
Contingency Reserve (Unappropriated Surplus)	4,116,523	4,082,972	3,582,972
Total Accumulated Surplus	**8,150,697**	**7,977,408**	**7,977,408**

The right column in the above table shows how accumulated surplus was restricted in the prior year (2024/25) financial statements, and the middle column shows how this prior year accumulated surplus was then allocated in the 2025/26 amended budget adopted by the Board following confirmation of actual fall enrolment.

During the year ended June 30, 2026 accumulated operating surplus increased from $7,977,408 at the beginning of the year to $8,150,697 at the end of the year. The left column shows that $2,468,245 of this balance has been allocated to fund continuing expenditures in the 2026/27 Preliminary Budget, $1,565,929 ($766,933 plus $798,996) has been allocated to multi-year funding of district and school programs, and $4,116,523 has been allocated to contingency reserve.

Statement of Operations by Fund – Special Purpose Fund

	Amended Budget 2025/26	Actual 2025/26	Amended Budget 2024/25	Actual 2024/25
Provincial Grants	16,045,472	15,701,163	15,948,829	15,376,439
Other Revenues	4,618,000	4,816,023	3,076,000	4,620,286
Expenditures	20,645,668	20,452,652	(19,024,829)	(19,913,311)
Fund transfers (assets purchased)	(17,804)	(64,534)	-	(83,414)
Annual Surplus (Deficit)	-	-	-	-

2025/26 budgeted grant revenues in the special purpose fund increased by $0.1 million relative to 2024/25 budgeted revenues primarily due changes to a number of targeted grants. The 2025/26 budget for other revenues was set to be consistent with actual other revenues in 2024/25.

Actual 2025/26 Provincial Grants were less than budget by $0.3 million primarily due to: actual unspent contributions (deferred instead of transferred by revenue) was higher than budgeted partially offset by increases to many targeted grants. Most of the increases to targeted grants were to fund collective agreement salary adjustments that had not been reflected in the budgeted grant figures.

Actual other revenues in 2025/26 exceeded budget by $0.2 million as school generated revenues exceeded budget.

<u>Statement of Operations by Fund – Capital Fund</u>

	Amended Budget 2025/26	Actual 2025/26	Amended Budget 2024/25	Actual 2024/25
Revenues	6,344,535	6,431,623	5,364,000	6,005,875
Expenses	(8,368,453)	(8,524,806)	(7,650,000)	(8,373,998)
Fund Transfers (capital assets purchased in other funds)	1,139,391	2,154,531	1,486,603	1,879,050
Change in Accumulated Surplus	(884,527)	61,348	(799,397)	(489,073)
Opening Accumulated Surplus		11,856,667		12,345,740
Closing Accumulated Surplus		11,918,015		11,856,667

It is expected that revenues and expenses in the capital fund will be predictable and consistent, as they reflect the recognition of capital funding (as revenue) and the usage of capital assets over their life (as amortization expense). Fund transfers were higher than budgeted due to service and supply expenditures in the operating fund that met the criteria for asset capitalization.

During the year ended June 30, 2026, the district invested $8.4 million in capital additions. Further details are presented in the Financial Highlights section.

Within the capital fund the following two balances are important as they represent funds available for future capital investment:

- <u>Local Capital Reserve</u> – this balance forms part of accumulated surplus in the capital fund and represents funds available for future investment in capital assets. In Saanich, these funds are generated primarily from allocation of lease revenues designated for future asset renewal.
- <u>MEd Restricted Capital</u> – this balance forms part of the deferred capital revenue balance in the capital fund and represents funds available for investment in capital assets at the discretion of the Ministry of Education and Childcare. These funds are generated primarily from capital project savings.

The table below presents the June 30, 2026 closing balances in Local Capital and MEd Restricted Capital and what portion of the balances remains uncommitted for future capital investment.

	Local Capital	MEd Restricted Capital
Balance at June 30, 2026	261,271	207,973
Committed for future investment	261,271	-
Uncommitted Balance	-	207,973

The local capital balance consists of the accumulated allocation of licence revenues for the future renewal of licensed space and contributions to the Parkland Track Renewal Fund. The MEd Restricted Capital balance has not been committed to a project at this time.

Detailed information on the capital fund is presented in schedules 4 to 4D following the notes to the financial statements.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the School District's stakeholders with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Office of the Secretary Treasurer at 250-652-7332.

Audited Financial Statements of

School District No. 63 (Saanich)

And Independent Auditors' Report thereon

June 30, 2026

School District No. 63 (Saanich)
June 30, 2026

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School District No. 63 (Saanich)

MANAGEMENT REPORT

Version: 5653-4907-2925

Management's Responsibility for the Financial Statements

The accompanying financial statements of School District No. 63 (Saanich) have been prepared by management in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of British Columbia, supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and reliable financial information is produced.

The Board of Education of School District No. 63 (Saanich) (called the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements regularly throughout the year and externally audited financial statements yearly.

The external auditors, KPMG LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of School District No. 63 (Saanich) and meet when required. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the School District's financial statements.

On behalf of School District No. 63 (Saanich)

Signature of the Chairperson of the Board of Education — Date Signed

Signature of the Superintendent — Date Signed

Signature of the Secretary Treasurer — Date Signed

KPMG LLP
St. Andrew's Square II
800-730 View Street
Victoria BC V8W 3Y7
Canada
Telephone 250 480 3500
Fax 250 480 3539

INDEPENDENT AUDITOR'S REPORT

To the Board of Education of School District No. 63 (Saanich), and
To the Minister of Education and Child Care, Province of British Columbia

Opinion

We have audited the financial statements of School District No. 63 (Saanich) (the Entity), which comprise:

- the statement of financial position as at June 30, 2026
- the statement of operations for the year then ended
- the statement of changes in net debt for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements as at and for the year ended June 30, 2026 of the Entity are prepared, in all material respects, in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Financial Reporting Framework

We draw attention to Note 2(a) to the financial statements which describes the applicable financial reporting framework and the significant differences between the financial reporting framework and Canadian public sector accounting standards.

Our opinion is not modified in respect of this matter.

Other Matter – Comparative Information

The financial statements for the year ended June 30, 2025 were audited by another auditor who expressed a qualified opinion on those financial statements on September 23, 2025 because those financial statements were not prepared in accordance with Canadian public sector accounting standards.

Other Information

Management is responsible for the other information. Other information comprises:

- Information, other than the financial statements and the auditor's report thereon, included in the Financial Statement Discussion and Analysis document
- Unaudited Schedules 1-4 attached to the audited financial statements

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Other Information other than the financial statements and the auditor's report thereon, included in the Financial Statement Discussion and Analysis document and Unaudited Schedules 1-4 attached to the audited financial statements as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with the financial reporting provisions of Section 23.1 of the Budget and Transparency and Accountability Act of the Province of British Columbia and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants

Victoria, Canada
______________, 2026

School District No. 63 (Saanich)

Statement of Financial Position
As at June 30, 2026

	2026 Actual	2025 Actual
	$	$
Financial Assets		
Cash and Cash Equivalents	**25,033,831**	23,686,109
Accounts Receivable		
Due from Province - Ministry of Education and Child Care	**1,328,679**	1,187,143
Due from First Nations	**1,211,134**	852,798
Other (Note 3)	**1,416,857**	856,343
Portfolio Investments (Note 4)	**6,249,369**	6,235,310
Total Financial Assets	**35,239,870**	32,817,703
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education and Child Care	**260,290**	-
Other (Note 5)	**13,590,448**	11,789,482
Unearned Revenue (Note 6)	**5,944,018**	5,761,057
Deferred Revenue (Note 7)	**3,406,290**	2,999,636
Deferred Capital Revenue (Note 8)	**117,339,702**	117,570,596
Employee Future Benefits (Note 9)	**4,611,855**	4,579,382
Asset Retirement Obligation (Note 10)	**13,625,260**	13,608,539
Debt (Note 11)	**176,616**	188,053
Total Liabilities	**158,954,479**	156,496,745
Net Debt	**(123,714,609)**	(123,679,042)
Non-Financial Assets		
Tangible Capital Assets (Note 12)	**142,523,480**	142,616,311
Prepaid Expenses	**1,259,841**	896,806
Total Non-Financial Assets	**143,783,321**	143,513,117
Accumulated Surplus (Deficit) (Note 13)	**20,068,712**	19,834,075

Contractual Obligations (Note 14)

Contractual Rights (Note 15)

Contingent Liabilities (Note 16)

Approved by the Board

Signature of the Chairperson of the Board of Education	Date Signed
Signature of the Superintendent	Date Signed
Signature of the Secretary Treasurer	Date Signed

The accompanying notes are an integral part of these financial statements.

School District No. 63 (Saanich)

Statement of Operations
Year Ended June 30, 2026

	2026 Budget (Note 17)	**2026 Actual**	2025 Actual
	$	**$**	$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	106,136,537	**109,134,819**	105,732,192
Other	71,412	**142,277**	208,750
Federal Grants	84,014	**38,000**	544,918
Tuition	4,494,600	**4,571,911**	4,756,763
Other Revenue	11,867,955	**12,633,258**	12,207,038
Rentals and Leases	464,500	**531,741**	501,252
Investment Income	461,080	**750,382**	1,019,632
Amortization of Deferred Capital Revenue	6,337,535	**6,401,883**	5,987,675
Total Revenue	129,917,633	**134,204,271**	130,958,220
Expenses (Note 18)			
Instruction	108,001,330	**107,521,998**	104,109,106
District Administration	4,388,080	**4,367,726**	4,368,092
Operations and Maintenance	19,831,259	**19,908,584**	18,817,926
Transportation and Housing	2,475,927	**2,154,605**	2,524,822
Revaluation of Asset Retirement Obligation		**16,721**	410,096
Total Expense	134,696,596	**133,969,634**	130,230,042
Surplus (Deficit) for the year	(4,778,963)	**234,637**	728,178
Accumulated Surplus (Deficit) from Operations, beginning of year		**19,834,075**	19,105,897
Accumulated Surplus (Deficit) from Operations, end of year		**20,068,712**	19,834,075

The accompanying notes are an integral part of these financial statements.

School District No. 63 (Saanich)

Statement of Changes in Net Debt

Year Ended June 30, 2026

	2026 Budget (Note 17)	**2026 Actual**	2025 Actual
	$	**$**	$
Surplus (Deficit) for the year	(4,778,963)	**234,637**	728,178
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(985,901)	**(8,415,254)**	(6,290,932)
Amortization of Tangible Capital Assets	8,368,453	**8,508,085**	7,963,902
Total Effect of change in Tangible Capital Assets	7,382,552	**92,831**	1,672,970
Acquisition of Prepaid Expenses	-	**(1,259,841)**	(896,806)
Use of Prepaid Expenses	-	**896,806**	921,014
Total Effect of change in Other Non-Financial Assets	-	**(363,035)**	24,208
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	2,603,589	**(35,567)**	2,425,356
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		**(35,567)**	2,425,356
Net Debt, beginning of year		**(123,679,042)**	(126,104,398)
Net Debt, end of year		**(123,714,609)**	(123,679,042)

The accompanying notes are an integral part of these financial statements.

School District No. 63 (Saanich)

Statement of Cash Flows
Year Ended June 30, 2026

	2026 Actual	2025 Actual
	$	$
Operating Transactions		
Surplus (Deficit) for the year	**234,637**	728,178
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	**(1,060,386)**	496,845
Prepaid Expenses	**(363,035)**	24,208
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	**2,061,256**	480,974
Unearned Revenue	**182,961**	(293,650)
Deferred Revenue	**406,654**	217,956
Employee Future Benefits	**32,473**	214,485
Asset Retirement Obligations	**16,721**	410,096
Amortization of Tangible Capital Assets	**8,508,085**	7,963,902
Amortization of Deferred Capital Revenue	**(6,401,883)**	(5,987,675)
Construction Security Deposits	**-**	61,275
Total Operating Transactions	**3,617,483**	4,316,594
Capital Transactions		
Tangible Capital Assets Purchased	**(4,356,307)**	(2,322,113)
Tangible Capital Assets -WIP Purchased	**(4,058,947)**	(3,968,819)
Total Capital Transactions	**(8,415,254)**	(6,290,932)
Financing Transactions		
Loan Payments	**(11,437)**	(11,947)
Capital Revenue Received	**6,170,989**	4,163,051
Total Financing Transactions	**6,159,552**	4,151,104
Investing Transactions		
Investments in Portfolio Investments	**(14,059)**	(12,628)
Total Investing Transactions	**(14,059)**	(12,628)
Net Increase (Decrease) in Cash and Cash Equivalents	**1,347,722**	2,164,138
Cash and Cash Equivalents, beginning of year	**23,686,109**	21,521,971
Cash and Cash Equivalents, end of year	**25,033,831**	23,686,109
Cash and Cash Equivalents, end of year, is made up of:		
Cash	**24,883,921**	23,540,023
Cash Equivalents	**149,910**	146,086
	25,033,831	23,686,109

The accompanying notes are an integral part of these financial statements.

NOTE 1 AUTHORITY AND PURPOSE

The school district operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 63 (Saanich)", and operates as "School District No. 63 (Saanich)". A board of education ("Board") elected for a four-year term governs the school district. The school district provides educational programs to students enrolled in schools in the district, and is principally funded by the Province of British Columbia through the Ministry of Education and Child Care. School District No. 63 (Saanich) is exempt from federal and provincial corporate income taxes.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the school district are prepared by management in accordance with the basis of accounting described below. Significant accounting policies of the school district are as follows:

a) Basis of Accounting

These financial statements have been prepared in accordance with Section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia. This Section requires that the financial statements be prepared in accordance with Canadian public sector accounting standards except in regard to the accounting for government transfers as set out in Notes 2(f) and 2(m).

In November 2011, Treasury Board provided a directive through Restricted Contributions Regulation 198/2011 providing direction for the reporting of restricted contributions whether they are received or receivable by the school district before or after this regulation was in effect.

As noted in notes 2(f) and 2(m), Section 23.1 of the *Budget Transparency and Accountability Act* and its related regulations require the school district to recognize government transfers for the acquisition of capital assets into revenue on the same basis as the related amortization expense.

As these transfers do not contain stipulations that create a liability, Canadian public sector accounting standards would require that:

- government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met in accordance with public sector accounting standard PS3410; and
- externally restricted contributions be recognized as revenue in the period in which the resources are used for the purpose or purposes specified in accordance with public sector accounting standard PS3100.

As a result, revenue recognized in the statement of operations and certain related deferred capital revenue would be recorded differently under Canadian Public Sector Accounting Standards.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

b) Cash and Cash Equivalents

Cash and cash equivalents include cash and highly liquid securities that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These cash equivalents generally have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing.

c) Accounts Receivable

Accounts receivable are measured at amortized cost and shown net of allowance for doubtful accounts.

d) Portfolio Investments

The school district has investments in Guaranteed Investment Certificates (GICs) with terms to maturity of greater than three months. GICs are reported at cost.

e) Unearned Revenue

Unearned revenue includes tuition fees received for courses to be delivered in future periods and receipt of proceeds for services or products to be delivered in a future period. Revenue will be recognized in that future period when the courses, services, or products are provided.

f) Deferred Revenue and Deferred Capital Revenue

Deferred revenue includes contributions received with stipulations that meet the description of restricted contributions in the Restricted Contributions Regulation 198/2011 issued by Treasury Board. When restrictions are met, deferred revenue is recognized as revenue in the fiscal year in a manner consistent with the circumstances and evidence used to support the initial recognition of the contributions received as a liability as detailed in Note 2 (m).

Funding received for the acquisition of depreciable tangible capital assets is recorded as deferred capital revenue and amortized over the life of the asset acquired as revenue in the statement of operations.

This accounting treatment is not consistent with the requirements of Canadian public sector accounting standards, which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that creates a liability in which case the transfer is recognized as revenue over the period that the liability is extinguished.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

g) Employee Future Benefits

The school district provides certain post-employment benefits including vested and non-vested benefits for certain employees pursuant to certain contracts and union agreements. The school district accrues its obligations and related costs including both vested and non-vested benefits under employee future benefit plans. Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits. The benefits cost is actuarially determined using the projected unit credit method pro-rated on service and using management's best estimate of expected salary escalation, termination rates, retirement rates and mortality. The discount rate used to measure obligations is based on the cost of borrowing. The cumulative unrecognized actuarial gains and losses are amortized over the expected average remaining service lifetime (EARSL) of active employees covered under the plan.

The most recent valuation of the obligation was performed at March 31, 2025 and projected to March 31, 2028. The next valuation will be performed at March 31, 2028 for use at June 30, 2028. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31 was adopted for all periods subsequent to July 1, 2004.

The school district and its employees make contributions to the Teachers' Pension Plan and Municipal Pension Plan. The plans are jointly trusteed plans where assets and obligations are not separated. The costs are expensed as incurred.

h) Asset Retirement Obligations

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

(a) there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
(b) the past transaction or event giving rise to the liability has occurred;
(c) it is expected that future economic benefits will be given up; and
(d) a reasonable estimate of the amount can be made.

The liability for the removal of asbestos and other hazardous material in several of the buildings owned by the school district has been measured at current cost as the timing and amounts of future cash flows cannot be estimated. The resulting costs have been capitalized into the carrying amount of tangible capital assets and are being amortized on the same basis as the related tangible capital asset. Assumptions used in the calculation are reviewed annually.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

i) Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use and all the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the school district:
  - is directly responsible; or
  - accepts responsibility;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

j) Tangible Capital Assets

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- Donated tangible capital assets are recorded at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.
- Work in progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the school district to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. The write-downs are accounted for as expenses in the Statement of Operations.
- Buildings that are demolished or destroyed are written-off.
- Works of art, historic assets and other non-purchased intangible assets are not recorded as assets in these financial statements.
- The cost, less residual value, of tangible capital assets (excluding sites), is amortized on a straight-line basis over the estimated useful life of the asset. Work in progress is not amortized until available for productive use. It is management's responsibility to determine the appropriate useful lives for tangible capital assets. These useful lives are reviewed on a

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

j) Tangible Capital Assets (continued)

regular basis or if significant events initiate the need to revise. Estimated useful life is as follows:

Buildings	40 years
Furniture & Equipment	10 years
Vehicles	10 years
Computer Software	5 years
Computer Hardware	5 years

k) Prepaid Expenses

Amounts for insurance and other services are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

l) Funds and Reserves

Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see Note 13 – Accumulated Surplus).

m) Revenue Recognition

Revenues are recorded on an accrual basis in the period in which the transactions or events occurred that gave rise to the revenues, the amounts are considered to be collectible and can be reasonably estimated.

Contributions received or where eligibility criteria have been met are recognized as revenue except where the contribution meets the criteria for deferral as described below. Eligibility criteria are the criteria that the school district has to meet in order to receive the contributions including authorization by the transferring government.

For contributions subject to a legislative or contractual stipulation or restriction as to their use, revenue is recognized as follows:

- Non-capital contributions for specific purposes are recorded as deferred revenue and recognized as revenue in the year related expenses are incurred,
- Contributions restricted for site acquisitions are recorded as revenue when the sites are purchased, and
- Contributions restricted for tangible capital assets acquisitions other than sites are recorded as deferred capital revenue and amortized over the useful life of the related assets.

Donated tangible capital assets other than sites are recorded at fair market value and amortized over the useful life of the assets. Donated sites are recorded as revenue at fair market value when received or receivable.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

m) Revenue Recognition (continued)

The accounting treatment for restricted contributions that are government transfers is not consistent with the requirements of Canadian public sector accounting standards, which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that meets the criteria for liability recognition in which case the transfer is recognized as revenue over the period that the liability is extinguished.

Revenue from transactions with performance obligations is recognized when (or as) the performance obligation is satisfied (by providing the promised goods or services to a payor).

Revenue from transactions with no performance obligations is recognized when the district:

(a) has the authority to claim or retain an inflow of economic resources; and
(b) identifies a past transaction or event that gives rise to an asset.

Investment income is reported in the period earned. When required by the funding party or related Act, investment income earned on deferred revenue is added to the deferred revenue balance.

n) Expenditures

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed.

Categories of Salaries

- Principals and Vice-Principals employed under an administrative officer contract are categorized as Principals and Vice-Principals.
- Superintendents, Assistant Superintendents, Secretary-Treasurers, Directors of Instruction, Trustees and other employees excluded from union contracts are categorized as Other Professionals.

Allocation of Costs

- Operating expenses are reported by function, program, and object. Whenever possible, expenditures are determined by actual identification. Additional costs pertaining to specific instructional programs, such as special and indigenous education, are allocated to these programs. All other costs are allocated to related programs.
- Actual salaries of personnel assigned to two or more functions or programs are allocated based on the time spent in each function and program. School-based clerical salaries are allocated to school administration and partially to other programs to which they may be assigned. Principals and Vice-Principals salaries are allocated to school administration and may be partially allocated to other programs to recognize their other responsibilities.
- Employee benefits and allowances are allocated to the same programs, and in the same proportions, as the individual’s salary.
- Supplies and services are allocated based on actual program identification.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

o) Financial Instruments

A contract establishing a financial instrument creates, at its inception, rights and obligations to receive or deliver economic benefits. The financial assets and financial liabilities portray these rights and obligations in the financial statements. The school district recognizes a financial instrument when it becomes a party to a financial instrument contract.

Financial instruments consist of cash and cash equivalents, accounts receivable, portfolio investments, accounts payable and accrued liabilities and debt. All financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of these instruments upon initial recognition. Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations. A write-down of a portfolio investment to reflect a loss in value is not reversed for a subsequent increase in value.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

p) Measurement Uncertainty

Preparation of financial statements in accordance with the basis of accounting described in Note 2(a) requires management to make estimates and assumptions that impact reported amounts of assets and liabilities at the date of the financial statements and revenues and expenses during the reporting periods. Significant areas requiring the use of management estimates relate to the potential impairment of assets, liability for asset retirement obligations, rates for amortization and estimated employee future benefits. Actual results could differ from those estimates.

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	June 30, 2026	June 30, 2025
	$	$
Due from Federal Government	234,934	88,695
Other	100,124	99,617
Accrued Interest Receivable	258,604	26,581
BC Public School Employers' Association Benefit Surplus	823,195	641,450
	1,416,857	856,343

NOTE 4 PORTFOLIO INVESTMENTS

	June 30, 2026	June 30, 2025
Investments measured at cost:	$	$
GICs	6,249,369	6,235,310

NOTE 5 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES – OTHER

	June 30, 2026	June 30, 2025
	$	$
Trade payables	1,928,678	1,491,412
Salaries and benefits payable	11,037,683	9,648,919
Accrued vacation pay	624,087	649,151
	13,590,448	11,789,482

NOTE 6 UNEARNED REVENUE

	June 30, 2026	June 30, 2025
	$	$
Balance, beginning of year	5,761,057	6,054,707
Changes for the year:		
Increase:		
Tuition fees collected	3,763,645	3,631,911
Homestay fees collected	2,173,273	2,090,888
Other deferred revenue	7,100	38,258
	5,944,018	5,761,057
Decrease:		
Tuition and other fees recognized as revenue	(3,629,224)	(4,114,457)
Homestay fees recognized as revenue	(2,093,575)	(1,940,250)
Childcare license fees recognized as revenue	(6,950)	-
Childcare asset sale recognized as revenue	(31,308)	-
Net changes for the year	182,961	(293,650)
Balance, end of year	5,944,018	5,761,057

NOTE 7 DEFERRED REVENUE

Deferred revenue includes unspent grants and contributions received that meet the description of a restricted contribution in the Restricted Contributions Regulation 198/2011 issued by Treasury Board, i.e., the stipulations associated with those grants and contributions have not yet been fulfilled.

	June 30, 2026	June 30, 2025
	$	$
Balance, beginning of year	2,999,636	2,781,680
Changes for the year:		
Increase:		
Provincial Grants	16,044,170	15,466,899
Other	4,809,941	4,658,001
Investment Income	69,729	89,781
	20,923,840	20,214,681
Decrease:		
Transfers to Revenue	(20,517,186)	(19,996,725)
Net changes for the year	406,654	217,956
Balance, end of year	3,406,290	2,999,636

NOTE 8 DEFERRED CAPITAL REVENUE

Deferred capital revenue includes grants and contributions received that are restricted by the contributor for the acquisition of tangible capital assets that meet the description of a restricted contribution in the Restricted Contributions Regulation 198/2011 issued by Treasury Board. Once spent, the contributions are amortized into revenue over the life of the asset acquired. Detailed information about the changes in deferred capital revenue is included in Schedules 4C and 4D.

	June 30, 2026	June 30, 2025
	$	$
Balance, deferred capital revenue, subject to amortization, beginning of year	115,179,551	118,263,088
Changes for the year:		
Increase:		
Capital Additions	2,410,035	589,553
Transfer from work in progress	5,148,856	2,314,585
Decrease:		
Amortization	(6,401,883)	(5,987,675)
Net changes for the year	1,157,008	(3,083,537)
Balance, deferred capital revenue, subject to amortization, end of year	116,336,559	115,179,551
Balance, deferred capital revenue, not subject to amortization, beginning of year	2,125,923	908,039
Transfer from unspent deferred capital revenue – work in progress	3,732,659	3,532,469
Transfer completed projects to deferred capital revenue, subject to amortization	(5,148,856)	(2,314,585)
Net changes for the year	(1,416,197)	1,217,884
Balance, deferred capital revenue not subject to amortization, end of year	709,726	2,125,923

NOTE 8 DEFERRED CAPITAL REVENUE *(continued)*

Balance, unspent deferred capital revenue, beginning of year	265,122	224,093
Changes for the year:		
Increase:		
Provincial Grants, Ministry of Education and Child Care	4,613,179	3,156,542
Provincial Grants, Other	-	150,000
Other Capital	984,129	178,325
Investment income	6,000	8,100
Receivable from Ministry of Education and Child Care – COA Draws	567,681	639,453
Receivable from Ministry of Education and Child Care - Daycare	-	30,631
Decrease:		
Transferred to deferred capital revenue – Capital Additions	(2,410,035)	(589,553)
Transferred to deferred capital revenue – Work in Progress	(3,732,659)	(3,532,469)
Net changes for the year	28,295	41,029
Balance, unspent deferred capital revenue, end of year	293,417	265,122
Balance, end of year	117,339,702	117,570,596

NOTE 9 EMPLOYEE FUTURE BENEFITS

Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits. Funding is provided when the benefits are paid and accordingly, there are no plan assets. Although no plan assets are uniquely identified, the school district has provided for the payment of these benefits.

	June 30, 2026	June 30, 2025
Reconciliation of Accrued Benefit Obligation		
	$	$
Accrued Benefit Obligation – April 1	4,633,278	4,398,051
Service Cost	389,963	321,892
Interest Cost	188,274	191,839
Benefit Payments	(479,565)	(334,989)
Actuarial (Gain)/Loss	(314,065)	56,485
Accrued Benefit Obligation – March 31	4,417,885	4,633,278
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – March 31	4,417,885	4,633,278
Market Value of Plan Assets – March 31	-	-
Funded Status – Deficit	(4,417,885)	(4,633,278)
Employer Contributions After Measurement Date	291,903	216,984
Benefits Expense After Measurement Date	(144,960)	(144,559)
Unamortized Net Actuarial (Gain)	(340,913)	(18,529)
Accrued Benefit Liability – June 30	(4,611,855)	(4,579,382)
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability – July 1	4,579,382	4,364,897
Net expense for Fiscal Year	586,957	584,836
Employer Contributions	(554,484)	(370,351)
Accrued Benefit Liability – June 30	4,611,855	4,579,382
Components of Net Benefit Expense		
	$	$
Service Cost	385,671	390,979
Interest Cost	192,968	189,042
Amortization of Net Actuarial Loss	8,318	8,318
Net Benefit Expense	586,957	588,339

NOTE 9 EMPLOYEE FUTURE BENEFITS *(continued)*

The significant actuarial assumptions adopted for measuring the school district's accrued benefit obligations are:

	June 30, 2026	June 30, 2025
Discount Rate – April 1	4.00%	4.25%
Discount Rate – March 31	4.50%	4.00%
Long Term Salary Growth – April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth – March 31	2.50% + seniority	2.50% + seniority
EARSL – March 31	12.0 years	12.0 years

NOTE 10 ASSET RETIREMENT OBLIGATION

Legal liabilities exist for the removal and disposal of asbestos within some district owned buildings that will undergo major renovations or demolition in the future. The obligation has been measured at current cost as the timing of future cash flows cannot be reasonably determined. These costs have been capitalized as part of the assets' carrying value and are amortized over the assets' estimated useful lives.

	June 30, 2026	June 30, 2025
	$	$
Asset Retirement Obligation, opening balance	13,608,539	13,198,443
Revaluation of asset retirement obligation	16,721	410,096
Asset Retirement Obligation, closing balance	13,625,260	13,608,539

NOTE 11 DEBT

The following loan approved under *Section 144* of the *School Act* is outstanding:

	June 30, 2026	June 30, 2025
	$	$
Go Zero Emission School Bus British Columbia Inc. loan	176,616	188,053

Go Zero Emission School Bus British Columbia Inc. is a wholly owned subsidiary of the Association of School Transportation Services of BC. The $200,000 loan was approved on June 21, 2023 to purchase two electric buses, borrowed on October 20, 2023 for a term of 12 years, bearing interest at 1% per annum. The loan is repayable in blended quarterly principal plus interest payments with payments not exceeding operating cost savings of electric vs. diesel buses. The loan is secured by two vehicles which have a carrying value of $377,867 per bus. Principal and interest paid this fiscal year are $11,437 and $2,340 respectively.

NOTE 11 DEBT (continued)

Anticipated annual principal repayments over the next 5 years and thereafter are as follows:

	$					
	2027	**2028**	**2029**	**2030**	**2031**	**Thereafter**
Principal repayments	16,667	16,667	16,667	16,667	16,667	93,281

NOTE 12 TANGIBLE CAPITAL ASSETS

Net Book Value:

	Net Book Value 2026	Net Book Value 2025
	$	$
Sites	6,088,418	6,088,418
Buildings	116,560,112	120,958,614
Buildings - Work in Progress	25,390	485,237
Furniture & Equipment	12,193,897	8,470,691
Furniture & Equipment - Work in Progress	698,108	2,081,611
Vehicles	4,093,614	2,123,668
Computer Hardware	2,863,941	2,408,072
Total	142,523,480	142,616,311

NOTE 12 TANGIBLE CAPITAL ASSETS *(continued)*

June 30, 2026

Cost:	Opening Cost	Additions	Disposals	Transfers	Total 2026
	$	$	$	$	$
Sites	6,088,418	-	-	-	6,088,418
Buildings	249,559,071	-	-	1,127,664	250,686,735
Work in Progress	485,237	667,817	-	(1,127,664)	25,390
Furniture & Equipment	13,219,411	522,242	(262,317)	4,774,633	18,253,969
Work in Progress	2,081,611	3,391,130	-	(4,774,633)	698,108
Vehicles	3,339,377	2,405,771	(368,033)	-	5,377,115
Computer Hardware	4,624,143	1,428,294	(952,327)	-	5,100,110
Total	279,397,268	8,415,254	(1,582,677)	-	286,229,845

Accumulated Amortization:	Opening Accumulated Amortization	Additions	Disposals	Transfers	Total 2026
	$	$	$	$	$
Sites	-	-	-	-	-
Buildings	128,600,457	5,526,166	-	-	134,126,623
Furniture & Equipment	4,748,720	1,573,669	(262,317)	-	6,060,072
Vehicles	1,215,709	435,825	(368,033)	-	1,283,501
Computer Hardware	2,216,071	972,425	(952,327)	-	2,236,169
Total	136,780,957	8,508,085	(1,582,677)	-	143,706,365

NOTE 12 TANGIBLE CAPITAL ASSETS *(continued)*

June 30, 2025

Cost:	Opening Cost	Additions	Disposals	Transfers	Total 2025
	$	$	$	$	$
Sites	6,088,418	-	-	-	6,088,418
Buildings	248,114,679	410,096	-	1,034,296	249,559,071
Work in Progress	142,902	1,376,631	-	(1,034,296)	485,237
Furniture & Equipment	11,918,973	362,606	(342,455)	1,280,287	13,219,411
Work in Progress	769,710	2,592,188	-	(1,280,287)	2,081,611
Vehicles	2,830,301	652,325	(143,249)	-	3,339,377
Computer Software	10,698	-	(10,698)	-	-
Computer Hardware	4,046,424	1,307,182	(729,463)	-	4,624,143
Total	273,922,105	6,701,028	(1,225,865)	-	279,397,268

Accumulated Amortization:	Opening Accumulated Amortization	Additions	Disposals	Transfers	Total 2025
	$	$	$	$	$
Sites	-	-	-	-	-
Buildings	122,659,987	5,940,470	-	-	128,600,457
Furniture & Equipment	3,834,255	1,256,920	(342,455)	-	4,748,720
Vehicles	1,050,474	308,484	(143,249)	-	1,215,709
Computer Software	9,631	1,067	(10,698)	-	-
Computer Hardware	2,078,477	867,057	(729,463)	-	2,216,071
Total	129,632,824	8,373,998	(1,225,865)	-	136,780,957

NOTE 13 ACCUMULATED SURPLUS

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	June 30, 2026	June 30, 2025
	$	$
Invested in tangible capital assets	11,656,744	11,507,107
Local capital surplus	261,271	349,560
Operating surplus	8,150,697	7,977,408
	20,068,712	19,834,075

Inter-fund transfers between the operating, special purpose and capital funds for the year ended June 30, 2026, were as follows:

- $1,881,738 was transferred from the operating fund to the capital fund and $64,534 was transferred from the special purpose fund to the capital fund for the purchase of capital assets.
- $13,768 tangible capital asset work in progress was transferred from the operating fund to the capital fund.
- $194,491 was transferred from the operating fund to the local capital fund for future purchases of capital assets.

The operating surplus has been internally restricted (appropriated) by the Board for the 2026/2027 budget.

		June 30, 2026
		$
School Activities	766,933	
District Activities	798,996	
Appropriated for 2026/27 Budget	2,468,245	
Subtotal Internally Restricted		4,034,174
Unrestricted Operating Surplus		4,116,523
Total Available for Future Operations		8,150,697

NOTE 14 CONTRACTUAL OBLIGATIONS

The school district has entered into contracts related to capital projects with a remaining cost of approximately $3,880,372.

The following table summarizes other contractual obligations of the school district:

$						
Contractual Obligations	**2027**	**2028**	**2029**	**2030**	**2031**	**Thereafter**
Various purchase contracts	627,827	368,082	188,668	140,736	145,649	-

NOTE 15 CONTRACTUAL RIGHTS

Contractual rights are rights to economic resources arising from contracts or agreements that will result in revenues and assets in the future. The school district's contractual rights arise because of contracts entered into for the license or lease of district facilities. The following table summarizes the contractual rights of the school district for future assets:

$						
Contractual Rights	**2027**	**2028**	**2029**	**2030**	**2031**	**Thereafter**
Leases of Property	478,966	205,899	206,655	209,850	198,985	1,144,835

NOTE 16 CONTINGENT LIABILITIES

The school district, in conducting its usual business activities, is involved in various legal claims and litigation. In the event any unsettled claims are successful, management believes that such claims are not expected to have a material effect on the school district's financial position, and accordingly, no provision has been made in these financial statements for any liability that may result. Any losses arising from these actions will be recorded in the year in which the related litigation is settled.

NOTE 17 BUDGET FIGURES

Budget figures included in the financial statements were approved by the Board through the adoption of an amended annual budget bylaw on May 13, 2026. The original annual budget was adopted on June 18, 2025. The original and amended budgets are presented below.

	2026 Amended Annual Budget	2026 Annual Budget
Revenues		
	$	$
Provincial Grants	106,207,949	103,020,619
Federal Grants	84,014	544,918
Tuition	4,494,600	4,488,889
Other Revenue	11,867,955	11,102,579
Rentals and Leases	464,500	464,500
Investment Income	461,080	372,083
Amortization of Deferred Capital Revenue	6,337,535	5,930,000
Total Revenue	**129,917,633**	**125,923,588**
Expenses		
Instruction	108,001,330	102,263,108
District Administration	4,388,080	4,494,313
Operations and Maintenance	19,831,259	19,400,521
Transportation and Housing	2,475,927	2,659,299
Total Expense	**134,696,596**	**128,817,241**
Net Expense	**(4,778,963)**	**(2,893,653)**
Budgeted Allocation of Surplus	**3,894,436**	**2,428,256**
Budgeted Deficit for the year	**(884,527)**	**(465,397)**

NOTE 18 EXPENSE BY OBJECT

	June 30, 2026	June 30, 2025
	$	$
Salaries and benefits	107,488,741	104,090,108
Services and supplies	17,956,087	17,765,936
Amortization	8,508,085	7,963,902
Revaluation of asset retirement obligation	16,721	410,096
	133,969,634	130,230,042

NOTE 19 EMPLOYEE PENSION PLANS

The school district and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan (jointly trusteed pension plans). The boards of trustees for these plans, representing plan members and employers, are responsible for administering the plans, including investment of assets and administration of benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits are based on a formula. As at December 31, 2025, the Teachers' Pension Plan has about 52,000 active members and approximately 43,000 retired members. As of December 31, 2025, the Municipal Pension Plan has about 273,000 active members, including approximately 32,000 from school districts.

Every three years, an actuarial valuation is performed to assess the financial position of the plans and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plans. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plans. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2023, indicated a $4,572 million surplus for basic pension benefits on a going concern basis.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2024, indicated a $2,675 million funding surplus for basic pension benefits on a going concern basis.

The school district paid $8,785,067 for employer contributions to the plans for the year ended June 30, 2026 (2025: $8,525,409).

The next valuation for the Teachers' Pension Plan will be as at December 31, 2026 with results available in late 2027. The next valuation for the Municipal Pension Plan will be as at December 31, 2027.

Employers participating in the plans record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plans record accrued liabilities and accrued assets for each plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plans.

NOTE 20 RELATED PARTY TRANSACTIONS

The school district is related through common ownership to all Province of British Columbia ministries, agencies, school districts, health authorities, colleges, universities, and crown corporations. Related parties also include key management personnel and close family members. Transactions with these entities, unless disclosed separately, are considered to be in the normal course of operations and are recorded at the exchange amount.

NOTE 21 ECONOMIC DEPENDENCE

The operations of the school district are dependent on continued funding from the Ministry of Education and Child Care and various governmental agencies to carry out its programs. These financial statements have been prepared on a going concern basis.

NOTE 22 RISK MANAGEMENT

The school district has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk. The Board ensures that the school district has identified its risks and ensures that management monitors and controls them.

Risk Management and insurance services for all school districts in British Columbia are provided by the Risk Management Branch of the Ministry of Finance. There have been no changes to risk exposure from 2024 related to credit, market or liquidity risks.

a) Credit Risk

Credit risk is the risk of financial loss to an institution if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held consisting of cash and cash equivalents, amounts receivable and investments.

The school district is exposed to credit risk in the event of non-performance by a debtor. This risk is mitigated as most amounts receivable are due from the Province and are collectible.

It is management's opinion that the school district is not exposed to significant credit risk associated with its cash deposits and investments as they are placed in recognized British Columbia institutions and the school district invests solely in guaranteed investment certificates.

b) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk and interest rate risk.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. It is management's opinion that the school district is not exposed to significant currency risk, as amounts held and purchases made in foreign currency are insignificant.

NOTE 22 RISK MANAGEMENT (continued)

b) Market Risk (continued)

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The school district is exposed to interest rate risk through its investments. It is management's opinion that the school district is not exposed to significant interest rate risk as they invest solely in guaranteed investment certificates that have a maturity date of no more than 3 years. The school district is also exposed to interest rate risk through its debt. It is management's opinion that the school district is not exposed to significant interest rate risk as interest rate is low and fixed.

c) Liquidity Risk

Liquidity risk is the risk that the school district will not be able to meet its financial obligations as they become due.

The school district manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing activities to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the school district's reputation.

School District No. 63 (Saanich)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2026

	Operating Fund	Special Purpose Fund	Capital Fund	2026 Actual	2025 Actual
	$	$	$	$	$
Accumulated Surplus (Deficit), beginning of year	7,977,408		11,856,667	**19,834,075**	19,105,897
Changes for the year					
Surplus (Deficit) for the year	2,263,286	64,534	(2,093,183)	**234,637**	728,178
Interfund Transfers					
Tangible Capital Assets Purchased	(1,881,738)	(64,534)	1,946,272	**-**	
Tangible Capital Assets - Work in Progress	(13,768)		13,768	**-**	
Local Capital	(194,491)		194,491	**-**	
Net Changes for the year	**173,289**	**-**	**61,348**	**234,637**	**728,178**
Accumulated Surplus (Deficit), end of year - Statement 2	**8,150,697**	**-**	**11,918,015**	**20,068,712**	19,834,075

School District No. 63 (Saanich)

Schedule of Operating Operations
Year Ended June 30, 2026

	2026 Budget (Note 17)	**2026 Actual**	2025 Actual
	$	**$**	$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	90,091,065	**93,433,656**	90,355,753
Other	71,412	**142,277**	208,750
Federal Grants	84,014	**38,000**	544,918
Tuition	4,494,600	**4,571,911**	4,756,763
Other Revenue	7,338,955	**7,865,824**	7,676,533
Rentals and Leases	464,500	**531,741**	501,252
Investment Income	365,080	**672,053**	911,651
Total Revenue	102,909,626	**107,255,462**	104,955,620
Expenses			
Instruction	88,008,337	**87,701,442**	84,799,580
District Administration	4,301,435	**4,281,081**	4,281,447
Operations and Maintenance	11,448,899	**11,143,615**	10,829,983
Transportation and Housing	1,923,804	**1,866,038**	2,031,723
Total Expense	105,682,475	**104,992,176**	101,942,733
Operating Surplus (Deficit) for the year	(2,772,849)	**2,263,286**	3,012,887
Budgeted Appropriation (Retirement) of Surplus (Deficit)	3,894,436		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(968,097)	**(1,881,738)**	(1,649,146)
Tangible Capital Assets - Work in Progress		**(13,768)**	
Local Capital	(153,490)	**(194,491)**	(146,490)
Total Net Transfers	(1,121,587)	**(2,089,997)**	(1,795,636)
Total Operating Surplus (Deficit), for the year	-	**173,289**	1,217,251
Operating Surplus (Deficit), beginning of year		**7,977,408**	6,760,157
Operating Surplus (Deficit), end of year		**8,150,697**	7,977,408
Operating Surplus (Deficit), end of year			
Internally Restricted		**4,034,174**	4,394,436
Unrestricted		**4,116,523**	3,582,972
Total Operating Surplus (Deficit), end of year		**8,150,697**	7,977,408

School District No. 63 (Saanich)

Schedule of Operating Revenue by Source

Year Ended June 30, 2026

	2026 Budget (Note 17)	**2026 Actual**	2025 Actual
	$	**$**	$
Provincial Grants - Ministry of Education and Child Care			
Operating Grant, Ministry of Education and Child Care	92,380,213	**93,102,537**	91,775,264
ISC/LEA Recovery	(3,556,143)	**(3,516,959)**	(3,554,356)
Other Ministry of Education and Child Care Grants			
Pay Equity	377,315	**377,315**	377,315
Funding for Graduated Adults	698,744	**879,014**	592,471
Student Transportation Fund	280,000	**280,000**	280,000
Foundation Skills Assessment (FSA) Scorer Grant	12,964	**12,964**	14,464
Labour Settlement Funding		**2,298,785**	870,595
Operating Grant Enrolment Adjustment	(102,028)	**-**	-
Total Provincial Grants - Ministry of Education and Child Care	90,091,065	**93,433,656**	90,355,753
Provincial Grants - Other	71,412	**142,277**	208,750
Federal Grants	84,014	**38,000**	544,918
Tuition			
International and Out of Province Students	4,494,600	**4,571,911**	4,756,763
Total Tuition	4,494,600	**4,571,911**	4,756,763
Other Revenues			
Funding from First Nations	3,556,143	**3,516,959**	3,554,356
Miscellaneous			
Miscellaneous and School Generated	191,559	**416,195**	530,205
Cafeteria	109,178	**316,647**	304,010
Textbook Deposits and Distance Ed Fees	50,000	**179,538**	105,650
International and Out of Province Homestay Fees	3,325,900	**3,324,924**	3,025,494
Community Use	70,000	**82,061**	106,993
Bus Fees	36,175	**29,500**	49,825
Total Other Revenue	7,338,955	**7,865,824**	7,676,533
Rentals and Leases	464,500	**531,741**	501,252
Investment Income	365,080	**672,053**	911,651
Total Operating Revenue	102,909,626	**107,255,462**	104,955,620

School District No. 63 (Saanich)

Schedule of Operating Expense by Object

Year Ended June 30, 2026

	2026 Budget (Note 17)	**2026 Actual**	2025 Actual
	$	**$**	$
Salaries			
Teachers	39,740,536	**40,406,241**	39,499,683
Principals and Vice Principals	5,453,224	**5,766,869**	5,390,234
Educational Assistants	7,724,149	**7,517,460**	7,035,119
Support Staff	10,322,556	**9,972,892**	9,761,885
Other Professionals	4,620,681	**4,618,913**	4,461,780
Substitutes	4,430,932	**5,333,253**	5,439,761
Total Salaries	72,292,078	**73,615,628**	71,588,462
Employee Benefits	19,560,602	**19,240,220**	18,468,581
Total Salaries and Benefits	91,852,680	**92,855,848**	90,057,043
Services and Supplies			
Services	5,358,415	**5,379,858**	4,711,838
Professional Development and Travel	764,891	**573,733**	671,589
Rentals and Leases	172,000	**161,240**	166,487
Dues and Fees	714,842	**822,861**	730,040
Insurance	282,000	**263,822**	267,553
Supplies	5,031,624	**3,367,867**	3,782,838
Utilities	1,506,023	**1,566,947**	1,555,345
Total Services and Supplies	13,829,795	**12,136,328**	11,885,690
Total Operating Expense	105,682,475	**104,992,176**	101,942,733

School District No. 63 (Saanich)

Operating Expense by Function, Program and Object

Year Ended June 30, 2026

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	$	$	$	$	$	$	$
1 Instruction							
1.02 Regular Instruction	30,081,338	720,825	90,475	300,048		4,357,894	**35,550,580**
1.03 Career Programs	448,577	85,366	9,584	69,375		2,585	**615,487**
1.07 Library Services	956,961			445,486		1,552	**1,403,999**
1.08 Counselling	1,236,419					21,717	**1,258,136**
1.10 Special Education	5,147,365	358,505	7,027,120	426,650	1,305,048	474,589	**14,739,277**
1.30 English Language Learning	961,697					10,724	**972,421**
1.31 Indigenous Education	357,300	59,191	390,281	55,908	65,919	48,723	**977,322**
1.41 School Administration		4,192,678		2,027,642		41,822	**6,262,142**
1.62 International and Out of Province Students	1,216,584	190,643		442,962	196,269	750	**2,047,208**
Total Function 1	**40,406,241**	**5,607,208**	**7,517,460**	**3,768,071**	**1,567,236**	**4,960,356**	**63,826,572**
4 District Administration							
4.11 Educational Administration		159,661		46,471	965,869		**1,172,001**
4.20 Early Learning and Child Care					147,698		**147,698**
4.40 School District Governance				514,662	1,036,883	23,671	**1,575,216**
4.41 Business Administration							**-**
Total Function 4	**-**	**159,661**	**-**	**561,133**	**2,150,450**	**23,671**	**2,894,915**
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				45,284	771,997	63,924	**881,205**
5.50 Maintenance Operations				4,250,586		234,461	**4,485,047**
5.52 Maintenance of Grounds				552,227			**552,227**
5.56 Utilities							**-**
Total Function 5	**-**	**-**	**-**	**4,848,097**	**771,997**	**298,385**	**5,918,479**
7 Transportation and Housing							
7.41 Transportation and Housing Administration				107,591	129,230		**236,821**
7.70 Student Transportation				688,000		50,841	**738,841**
Total Function 7	**-**	**-**	**-**	**795,591**	**129,230**	**50,841**	**975,662**
9 Debt Services							
Total Function 9	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Functions 1 - 9	**40,406,241**	**5,766,869**	**7,517,460**	**9,972,892**	**4,618,913**	**5,333,253**	**73,615,628**

School District No. 63 (Saanich)

Operating Expense by Function, Program and Object

Year Ended June 30, 2026

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2026 Actual	2026 Budget (Note 17)	2025 Actual
	$	$	$	$	$	$	$
1 Instruction							
1.02 Regular Instruction	**35,550,580**	9,975,094	**45,525,674**	1,707,925	**47,233,599**	47,963,163	46,954,743
1.03 Career Programs	**615,487**	137,154	**752,641**	533,190	**1,285,831**	1,127,045	1,245,313
1.07 Library Services	**1,403,999**	330,724	**1,734,723**	49,500	**1,784,223**	1,739,382	1,636,151
1.08 Counselling	**1,258,136**	250,475	**1,508,611**		**1,508,611**	1,382,893	1,620,730
1.10 Special Education	**14,739,277**	3,512,128	**18,251,405**	660,231	**18,911,636**	19,210,959	17,316,630
1.30 English Language Learning	**972,421**	212,878	**1,185,299**	4,774	**1,190,073**	860,473	1,193,951
1.31 Indigenous Education	**977,322**	279,062	**1,256,384**	73,303	**1,329,687**	1,628,129	1,414,913
1.41 School Administration	**6,262,142**	1,547,812	**7,809,954**	50,899	**7,860,853**	7,378,217	7,293,928
1.62 International and Out of Province Students	**2,047,208**	508,182	**2,555,390**	4,041,539	**6,596,929**	6,718,076	6,123,221
Total Function 1	**63,826,572**	**16,753,509**	**80,580,081**	**7,121,361**	**87,701,442**	88,008,337	84,799,580
4 District Administration							
4.11 Educational Administration	**1,172,001**	239,545	**1,411,546**	134,064	**1,545,610**	1,468,693	1,617,751
4.20 Early Learning and Child Care	**147,698**	5,569	**153,267**	75,861	**229,128**		
4.40 School District Governance	**1,575,216**	398,756	**1,973,972**	532,371	**2,506,343**	244,277	236,152
4.41 Business Administration	**-**		**-**		**-**	2,588,465	2,427,544
Total Function 4	**2,894,915**	**643,870**	**3,538,785**	**742,296**	**4,281,081**	4,301,435	4,281,447
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	**881,205**	173,591	**1,054,796**	408,077	**1,462,873**	1,465,060	1,448,113
5.50 Maintenance Operations	**4,485,047**	1,270,510	**5,755,557**	1,522,164	**7,277,721**	7,664,039	6,997,181
5.52 Maintenance of Grounds	**552,227**	136,548	**688,775**	147,299	**836,074**	813,777	829,344
5.56 Utilities	**-**		**-**	1,566,947	**1,566,947**	1,506,023	1,555,345
Total Function 5	**5,918,479**	**1,580,649**	**7,499,128**	**3,644,487**	**11,143,615**	11,448,899	10,829,983
7 Transportation and Housing							
7.41 Transportation and Housing Administration	**236,821**	56,082	**292,903**	18,613	**311,516**	286,990	304,445
7.70 Student Transportation	**738,841**	206,110	**944,951**	609,571	**1,554,522**	1,636,814	1,727,278
Total Function 7	**975,662**	**262,192**	**1,237,854**	**628,184**	**1,866,038**	1,923,804	2,031,723
9 Debt Services							
Total Function 9	**-**	**-**	**-**	**-**	**-**	-	-
Total Functions 1 - 9	**73,615,628**	**19,240,220**	**92,855,848**	**12,136,328**	**104,992,176**	105,682,475	101,942,733

School District No. 63 (Saanich)

Schedule of Special Purpose Operations
Year Ended June 30, 2026

	2026 Budget (Note 17)	**2026 Actual**	2025 Actual
	$	**$**	$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	16,045,472	**15,701,163**	15,376,439
Other Revenue	4,529,000	**4,746,294**	4,530,505
Investment Income	89,000	**69,729**	89,781
Total Revenue	20,663,472	**20,517,186**	19,996,725
Expenses			
Instruction	19,992,993	**19,820,556**	19,309,526
District Administration	86,645	**86,645**	86,645
Operations and Maintenance	405,872	**405,872**	405,872
Transportation and Housing	160,158	**139,579**	111,268
Total Expense	20,645,668	**20,452,652**	19,913,311
Special Purpose Surplus (Deficit) for the year	17,804	**64,534**	83,414
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(17,804)	**(64,534)**	(83,414)
Total Net Transfers	(17,804)	**(64,534)**	(83,414)
Total Special Purpose Surplus (Deficit) for the year	-	**-**	-
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		**-**	-

School District No. 63 (Saanich)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2026

	Annual Facility Grant	Learning Improvement Fund	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK	Classroom Enhancement Fund - Overhead
	$	$	$	$	$	$	$	$	$
Deferred Revenue, beginning of year		123,592	342,569	1,738,011	-	3,197	5,609		
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	305,872	328,021			102,000	22,050	198,864	501,883	997,033
Other			171,675	4,638,266					
Investment Income			17,729	52,000					
	305,872	328,021	189,404	4,690,266	102,000	22,050	198,864	501,883	997,033
Less: Allocated to Revenue	305,872	322,225	147,239	4,668,784	102,000	19,469	204,473	486,599	997,033
Deferred Revenue, end of year	**-**	**129,388**	**384,734**	**1,759,493**	**-**	**5,778**	**-**	**15,284**	**-**
Revenues									
Provincial Grants - Ministry of Education and Child Care	305,872	322,225			102,000	19,469	204,473	486,599	997,033
Other Revenue			129,510	4,616,784					
Investment Income			17,729	52,000					
	305,872	322,225	147,239	4,668,784	102,000	19,469	204,473	486,599	997,033
Expenses									
Salaries									
Teachers							44,802		
Principals and Vice Principals							12,279	74,709	143,442
Educational Assistants		260,329							195,312
Support Staff					65,097			308,748	78,125
Other Professionals									72,811
Substitutes						1,261	30,886		301,167
	-	260,329	-	-	65,097	1,261	87,967	383,457	790,857
Employee Benefits		59,896			16,716	240	19,493	103,142	179,176
Services and Supplies	305,872	2,000	147,239	4,604,250	20,187	17,968	97,013		27,000
	305,872	322,225	147,239	4,604,250	102,000	19,469	204,473	486,599	997,033
Net Revenue (Expense) before Interfund Transfers	-	-	-	64,534	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased				(64,534)					
	-	-	-	(64,534)	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 63 (Saanich)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2026

	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	First Nation Student Transportation	Mental Health in Schools	Changing Results for Young Children (CR4YC)	Student & Family Affordability (SFAF)	Strengthening Early Years to Kindergarten (SEY2KT)	Early Care & Learning (ECL)	Feeding Futures Fund
	$	$	$	$	$	$	$	$	$
Deferred Revenue, beginning of year			100,626		7,076	1,948	16,409	56,703	318,376
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	10,380,706	1,517,224	59,532	52,000				525,000	854,935
Other									
Investment Income									
	10,380,706	1,517,224	59,532	52,000	-	-	-	525,000	854,935
Less: Allocated to Revenue	10,380,706	1,517,224	139,579	52,000	7,076	1,948	10,135	171,031	746,429
Deferred Revenue, end of year	**-**	**-**	**20,579**	**-**	**-**	**-**	**6,274**	**410,672**	**426,882**
Revenues									
Provincial Grants - Ministry of Education and Child Care	10,380,706	1,517,224	139,579	52,000	7,076	1,948	10,135	171,031	746,429
Other Revenue									
Investment Income									
	10,380,706	1,517,224	139,579	52,000	7,076	1,948	10,135	171,031	746,429
Expenses									
Salaries									
Teachers	8,271,478	187,624		17,205				85,367	
Principals and Vice Principals									22,801
Educational Assistants									164,038
Support Staff			56,067						85,351
Other Professionals									
Substitutes		991,680			4,621		2,101	32,773	
	8,271,478	1,179,304	56,067	17,205	4,621	-	2,101	118,140	272,190
Employee Benefits	2,109,228	337,920	15,084	3,942	878		399	24,036	86,900
Services and Supplies			68,428	30,853	1,577	1,948	7,635	28,855	387,339
	10,380,706	1,517,224	139,579	52,000	7,076	1,948	10,135	171,031	746,429
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased									
	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 63 (Saanich)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2026

	Dual Credit Program Expansion	Professional Learning Grant	National School Food Program	TOTAL
	$	$	$	$
Deferred Revenue, beginning of year	-	225,839	59,681	2,999,636
Add: Restricted Grants				
Provincial Grants - Ministry of Education and Child Care	50,000		149,050	16,044,170
Other				4,809,941
Investment Income				69,729
	50,000	-	149,050	20,923,840
Less: Allocated to Revenue	-	141,598	95,766	20,517,186
Deferred Revenue, end of year	**50,000**	**84,241**	**112,965**	**3,406,290**
Revenues				
Provincial Grants - Ministry of Education and Child Care		141,598	95,766	15,701,163
Other Revenue				4,746,294
Investment Income				69,729
	-	141,598	95,766	20,517,186
Expenses				
Salaries				
Teachers		86,733		8,693,209
Principals and Vice Principals				253,231
Educational Assistants				619,679
Support Staff			19,868	613,256
Other Professionals		20,885		93,696
Substitutes		6,042		1,370,531
	-	113,660	19,868	11,643,602
Employee Benefits		25,997	6,244	2,989,291
Services and Supplies		1,941	69,654	5,819,759
	-	141,598	95,766	20,452,652
Net Revenue (Expense) before Interfund Transfers	-	-	-	64,534
Interfund Transfers				
Tangible Capital Assets Purchased				(64,534)
	-	-	-	(64,534)
Net Revenue (Expense)	-	-	-	-

School District No. 63 (Saanich)

Schedule of Capital Operations

Year Ended June 30, 2026

	2026 Budget (Note 17)	2026 Actual Invested in Tangible Capital Assets	2026 Actual Local Capital	2026 Actual Fund Balance	2025 Actual
	$	$	$	$	$
Revenues					
Other Revenue			**21,140**	**21,140**	
Investment Income	7,000		**8,600**	**8,600**	18,200
Amortization of Deferred Capital Revenue	6,337,535	**6,401,883**		**6,401,883**	5,987,675
Total Revenue	6,344,535	**6,401,883**	**29,740**	**6,431,623**	6,005,875
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	7,976,488	**8,359,097**		**8,359,097**	7,582,071
Transportation and Housing	391,965	**148,988**		**148,988**	381,831
Revaluation of Asset Retirement Obligation	-	**16,721**		**16,721**	410,096
Total Expense	8,368,453	**8,524,806**	**-**	**8,524,806**	8,373,998
Capital Surplus (Deficit) for the year	(2,023,918)	**(2,122,923)**	**29,740**	**(2,093,183)**	(2,368,123)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	985,901	**1,946,272**		**1,946,272**	1,732,560
Tangible Capital Assets - Work in Progress		**13,768**		**13,768**	
Local Capital	153,490		**194,491**	**194,491**	146,490
Total Net Transfers	1,139,391	**1,960,040**	**194,491**	**2,154,531**	1,879,050
Other Adjustments to Fund Balances					
Tangible Capital Assets WIP Purchased from Local Capital		**312,520**	**(312,520)**	**-**	
Total Other Adjustments to Fund Balances		**312,520**	**(312,520)**	**-**	
Total Capital Surplus (Deficit) for the year	(884,527)	**149,637**	**(88,289)**	**61,348**	(489,073)
Capital Surplus (Deficit), beginning of year		**11,507,107**	**349,560**	**11,856,667**	12,345,740
Capital Surplus (Deficit), end of year		**11,656,744**	**261,271**	**11,918,015**	11,856,667

School District No. 63 (Saanich)

Tangible Capital Assets

Year Ended June 30, 2026

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	$	$	$	$	$	$	$
Cost, beginning of year	6,088,418	249,559,071	13,219,411	3,339,377		4,624,143	**276,830,420**
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw				1,440,718			**1,440,718**
Deferred Capital Revenue - Other			284,367	684,950			**969,317**
Operating Fund			173,341	280,103		1,428,294	**1,881,738**
Special Purpose Funds			64,534				**64,534**
Transferred from Work in Progress		1,127,664	4,774,633				**5,902,297**
	-	1,127,664	5,296,875	2,405,771	-	1,428,294	**10,258,604**
Decrease:							
Deemed Disposals			262,317	368,033		952,327	**1,582,677**
	-	-	262,317	368,033	-	952,327	**1,582,677**
Cost, end of year	6,088,418	250,686,735	18,253,969	5,377,115	-	5,100,110	**285,506,347**
Work in Progress, end of year		25,390	698,108				**723,498**
Cost and Work in Progress, end of year	6,088,418	250,712,125	18,952,077	5,377,115	-	5,100,110	**286,229,845**
Accumulated Amortization, beginning of year		128,600,457	4,748,720	1,215,709		2,216,071	**136,780,957**
Changes for the Year							
Amortization for the Year		5,526,166	1,573,669	435,825		972,425	**8,508,085**
		5,526,166	1,573,669	435,825	-	972,425	**8,508,085**
Deemed Disposals			262,317	368,033		952,327	**1,582,677**
Written-off During Year							**-**
District Entered							**-**
		-	262,317	368,033	-	952,327	**1,582,677**
Accumulated Amortization, end of year		134,126,623	6,060,072	1,283,501	-	2,236,169	**143,706,365**
Tangible Capital Assets - Net	**6,088,418**	**116,585,502**	**12,892,005**	**4,093,614**	**-**	**2,863,941**	**142,523,480**

School District No. 63 (Saanich)

Tangible Capital Assets - Work in Progress
Year Ended June 30, 2026

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	$	$	$	$	$
Work in Progress, beginning of year	485,237	2,081,611			**2,566,848**
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	341,529	3,391,130			**3,732,659**
Operating Fund	13,768				**13,768**
Local Capital	312,520				**312,520**
	667,817	3,391,130	-	-	**4,058,947**
Decrease:					
Transferred to Tangible Capital Assets	1,127,664	4,774,633			**5,902,297**
	1,127,664	4,774,633	-	-	**5,902,297**
Net Changes for the Year	(459,847)	(1,383,503)	-	-	**(1,843,350)**
Work in Progress, end of year	**25,390**	**698,108**	**-**	**-**	**723,498**

School District No. 63 (Saanich)

Deferred Capital Revenue
Year Ended June 30, 2026

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	$	$	$	$
Deferred Capital Revenue, beginning of year	100,660,626	13,333,944	1,184,981	**115,179,551**
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	1,440,718		969,317	**2,410,035**
Transferred from Work in Progress	5,148,856			**5,148,856**
	6,589,574	-	969,317	**7,558,891**
Decrease:				
Amortization of Deferred Capital Revenue	5,728,892	540,641	132,350	**6,401,883**
	5,728,892	540,641	132,350	**6,401,883**
Net Changes for the Year	860,682	(540,641)	836,967	**1,157,008**
Deferred Capital Revenue, end of year	101,521,308	12,793,303	2,021,948	**116,336,559**
Work in Progress, beginning of year	2,125,923			**2,125,923**
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	3,732,659			**3,732,659**
	3,732,659	-	-	**3,732,659**
Decrease				
Transferred to Deferred Capital Revenue	5,148,856			**5,148,856**
	5,148,856	-	-	**5,148,856**
Net Changes for the Year	(1,416,197)	-	-	**(1,416,197)**
Work in Progress, end of year	709,726	-	-	**709,726**
Total Deferred Capital Revenue, end of year	**102,231,034**	**12,793,303**	**2,021,948**	**117,046,285**

School District No. 63 (Saanich)

Changes in Unspent Deferred Capital Revenue
Year Ended June 30, 2026

	Bylaw Capital	MECC Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	$	$	$	$	$	$
Balance, beginning of year	-	194,490	48,234		22,398	**265,122**
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education and Child Care	5,180,860					**5,180,860**
Other					984,129	**984,129**
Investment Income		6,000				**6,000**
Transfer project surplus to MECC Restricted (from) Bylaw	(7,483)	7,483				**-**
	5,173,377	13,483	-	-	984,129	**6,170,989**
Decrease:						
Transferred to DCR - Capital Additions	1,440,718				969,317	**2,410,035**
Transferred to DCR - Work in Progress	3,732,659					**3,732,659**
	5,173,377	-	-	-	969,317	**6,142,694**
Net Changes for the Year	-	13,483	-	-	14,812	**28,295**
Balance, end of year	**-**	**207,973**	**48,234**	**-**	**37,210**	**293,417**